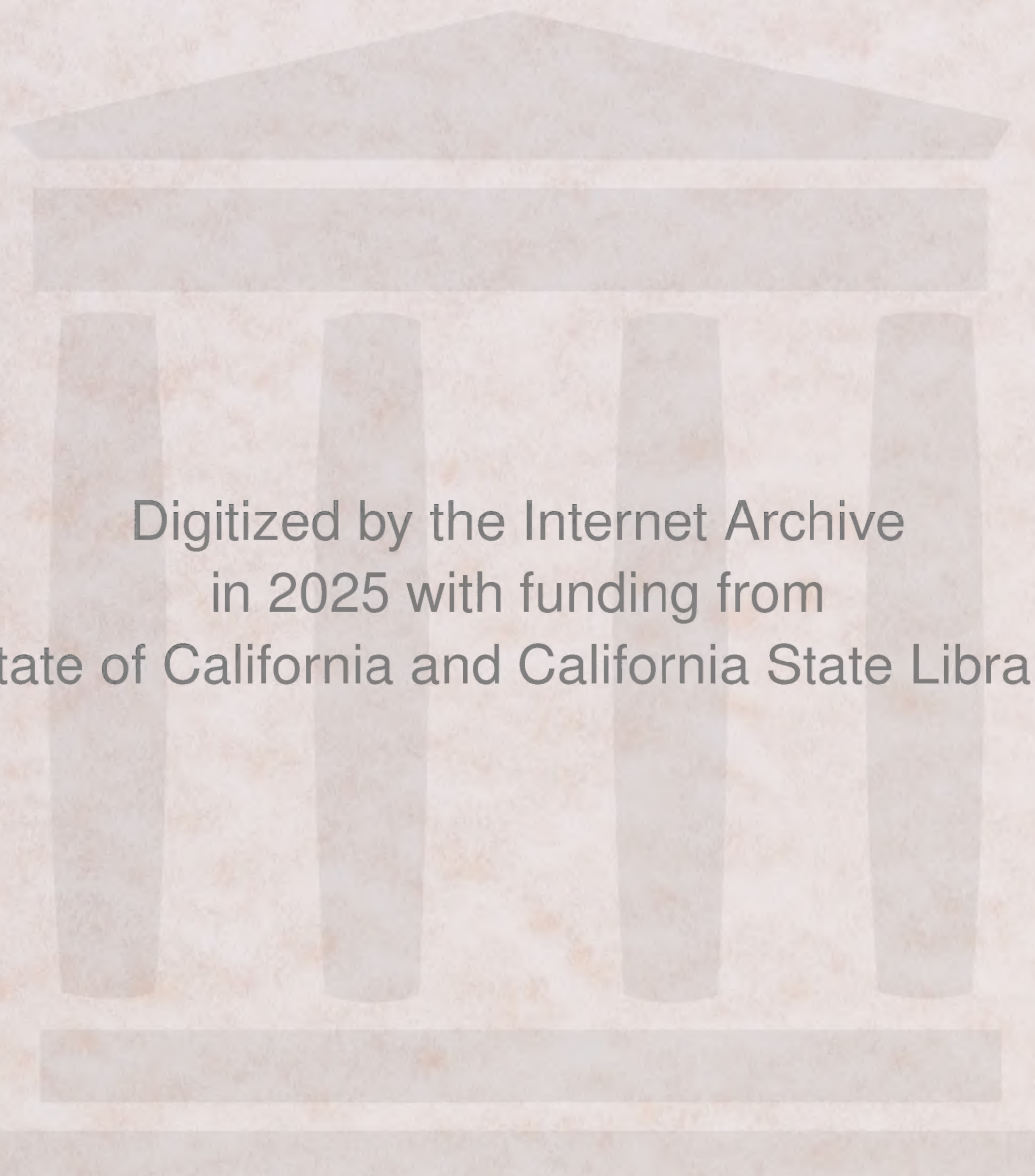


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FINAL DRAFT

**CITY OF ATWATER
HOUSING ELEMENT**

1992 - 1997

**Approved by Atwater Planning Commission, September 16, 1992
Approved by Atwater City Council, September 28, 1992**

Prepared by Valley Planning Consultants, September 1992

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I INTRODUCTION

The Housing Element is one of seven General Plan Elements mandated by the State of California. It is intended to direct residential development and renewal efforts in ways that are consistent with the overall economic and social values of the City. Further, these efforts should work toward achievement of the State goal of accommodating the housing needs of Californians at all economic levels. The character of the City is, to a large extent, defined by the variety and quality of its residential areas.

The Housing Element is the City's official response to findings by the State Legislature that the availability of decent housing, and a suitable living environment for every Californian, is a high priority. By identifying local housing needs, adopting appropriate goals and policies, and providing local legislation to meet these needs, local government will be more effective in dealing with the housing needs of its residents.

The Element also serves as a means of encouraging rehabilitation and reconstruction of older areas of the community, and innovation in planned new development. The City believes that housing can be affordable without being "ugly" and that variety and innovation can enhance the housing market without increasing cost. To this end, a variety of the goals and policies stated herein are intended to encourage housing that is both affordable and considered an asset to the community.

AUTHORITY

Section 65580 of the California Government Code contains directives for preparation of local Housing Elements.

RELATIONSHIP TO OTHER ELEMENTS AND PROGRAMS

The Housing Element of the General Plan is only one part of a local jurisdiction's planning program. There are many interrelationships with other program activities which limit, augment, and implement policies and goals of the Housing Element.

State Planning Law

State law requires all local jurisdictions to adopt and maintain a General Plan incorporating a Statement of Development Policies and seven required elements. The law also requires the plan to be internally consistent, to have zoning conformance and to not be amendable at will. Additionally, Section 65300.7 of the law provides that local agencies may prepare their general plans to accommodate local conditions and circumstances, while meeting the law's minimum requirements.

Local General Plans

The City's General Plan is intended to be a brief, comprehensible discussion of the City's development goals. In order to be understandable to the public a General Plan usually does not contain a comprehensive listing of all City programs and conditions applicable to new development. Rather, the plan provides a narrative frame work setting goals and objectives from which specific programs and policies can be based.

Housing Element Implementation

The City's Housing Element serves as a guide to several City and County departments and agencies. Some of the relationships are:

1. The City Planning Department is comprised of the Planning Division and the Building and Safety Division. The Department undertakes a broad range of activities from current to advanced planning; it develops statistical information, land use policies, housing policies, and General Plan Elements. The Department also maintains the Zoning Ordinance and administers the California Environmental Quality Act. Other responsibilities include enforcement of the building and rehabilitation codes.
2. The Merced County Department of Health, Environmental Health Division is responsible for County-wide Housing Code enforcement and monitoring.
3. The Housing Authority of Merced County is responsible for the development and maintenance of public housing and administrating programs providing low rent housing throughout the County. The Housing Authority of Atwater was established in February 1992.
4. The Merced County Association of Governments (MCAG) is responsible for maintaining regional housing information. Their responsibilities include preparation of the Regional Housing Needs Plan and determining each city's share of the regional (countywide) need for housing.
5. The Community Action Agency and County Human Resource Agency are some of the agencies that provide extensive assistance programs ranging from managing programs for the homeless to supplemental grants for rent to grants to defray utility costs.

Referrals to the public regarding programs provided in the City of Atwater and throughout Merced County are available through the City Police Department, City Manager's Office, or through citizen complaints. Referrals to the Housing Authority and information regarding its programs are provided by posting within the City Planning Department and various Merced County social service agencies.

General Plan Consistency

The California Government Code requires that the General Plans contain an integrated, internally consistent set of policies. When any one element of the General Plan is revised, and especially when new policies and priorities are proposed, the other elements must be reviewed to ensure that internal consistency is maintained.

The City of Atwater is in the process of updating its General Plan, the study area of which is proposed to include the unincorporated community of Winton and the McSwain area of Merced County. The community of Winton has recently announced that they will consider incorporation during 1993.

A draft Atwater General Plan is under review, and is not expected to be adopted by the Atwater City Council prior to completion of this Housing Element. Therefore, this Housing Element reflects the policies stated in the General Plan adopted in 1981 and does not address the expansion of the City's Sphere of Influence to include Winton or McSwain.

Castle Air Force Base, to the north of the City, is scheduled for closure in 1995. The City of Atwater, in its capacity as the newly established Atwater Housing Authority, has requested that the 935 base housing units within the City of Atwater, be given or sold to the City to meet the City's low and moderate income housing needs. As the outcome of this request, or the ultimate re-use plan of the facility has not been finalized, this element was prepared under the assumption that the current use of the base will continue.

According to Richard Martin, Interim Executive Director of the Castle Joint Power Authority, 13 committees have been formed to review possible options for re-use of Castle Air Force Base. Their recommendations are expected in July 1992 and the Joint Powers Authority will be utilizing this information when preparing a preliminary reuse plan for Castle. The reuse plan will address the conversion of Base housing, but is not expected to be completed until November 1992, several months after the adoption of the Atwater Housing Element.

Other studies currently in progress that address impacts from the civilian conversion of Castle Air Force Base include a job and economic impact study being prepared by the Merced County Department of Economic Development. This study is not expected to be completed until October or November 1992¹.

In order to meet the State imposed deadline, this Housing Element only generally discusses the proposed Sphere of Influence expansion and revised land use policies in the draft Atwater General Plan. Further, the closure of Castle Air Force Base and the future reuse of the base and federally owned military housing is expected to affect housing needs within the City of Atwater, which cannot be determined until the future use of the Castle Air Force Base property has been determined.

The factors identified above, will require that the Atwater Housing Element be updated prior to the completion of the identified planning period for this Element to more accurately reflect the status of housing in Atwater.

HOUSING ELEMENT ORGANIZATION

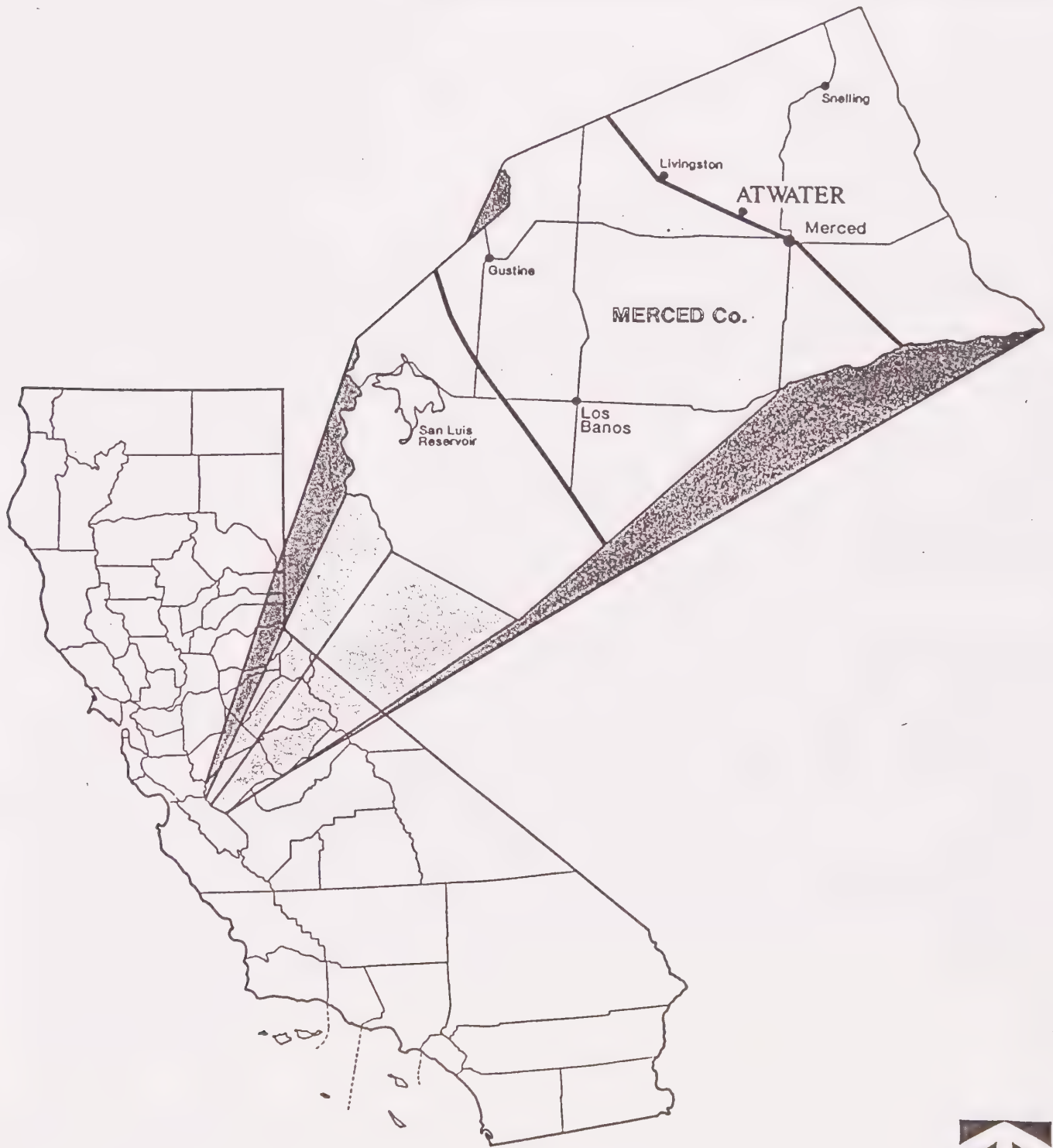
Government Code Section 65583 requires the Housing Element to include these basic components:

1. A review of the previous element's goals, policies, programs and objectives to ascertain the effectiveness of each factor and the overall effectiveness of the element. Revise the update based upon the results of the review.
2. An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs.
3. A statement of the community's goals, quantified objectives, and policies relative to the maintenance, improvement, and development of housing.
4. A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, provision of regulatory concessions, and the utilization of appropriate Federal and State financing and subsidy programs when available.

Part I defines the intent of the Housing Element and the relationship of the Element with State directives and other General Plan Elements. Part II reviews the 1986 Housing Element's new construction need with actual development. And a Program by Program review of the 1986 Element, analyzing why each program worked or did not work. Parts III and IV provide current population, economic, and housing information that serve as a basis for determining current and future housing needs as established in Part V. Part VI provides an inventory of available lands to meet housing needs. Part VII provides a discussion of governmental and non-governmental constraints to providing increased housing. Part VIII sets forth the goals and policies of the Plan and Part IX includes the implementing actions and programs necessary to achieve the goals and objectives.

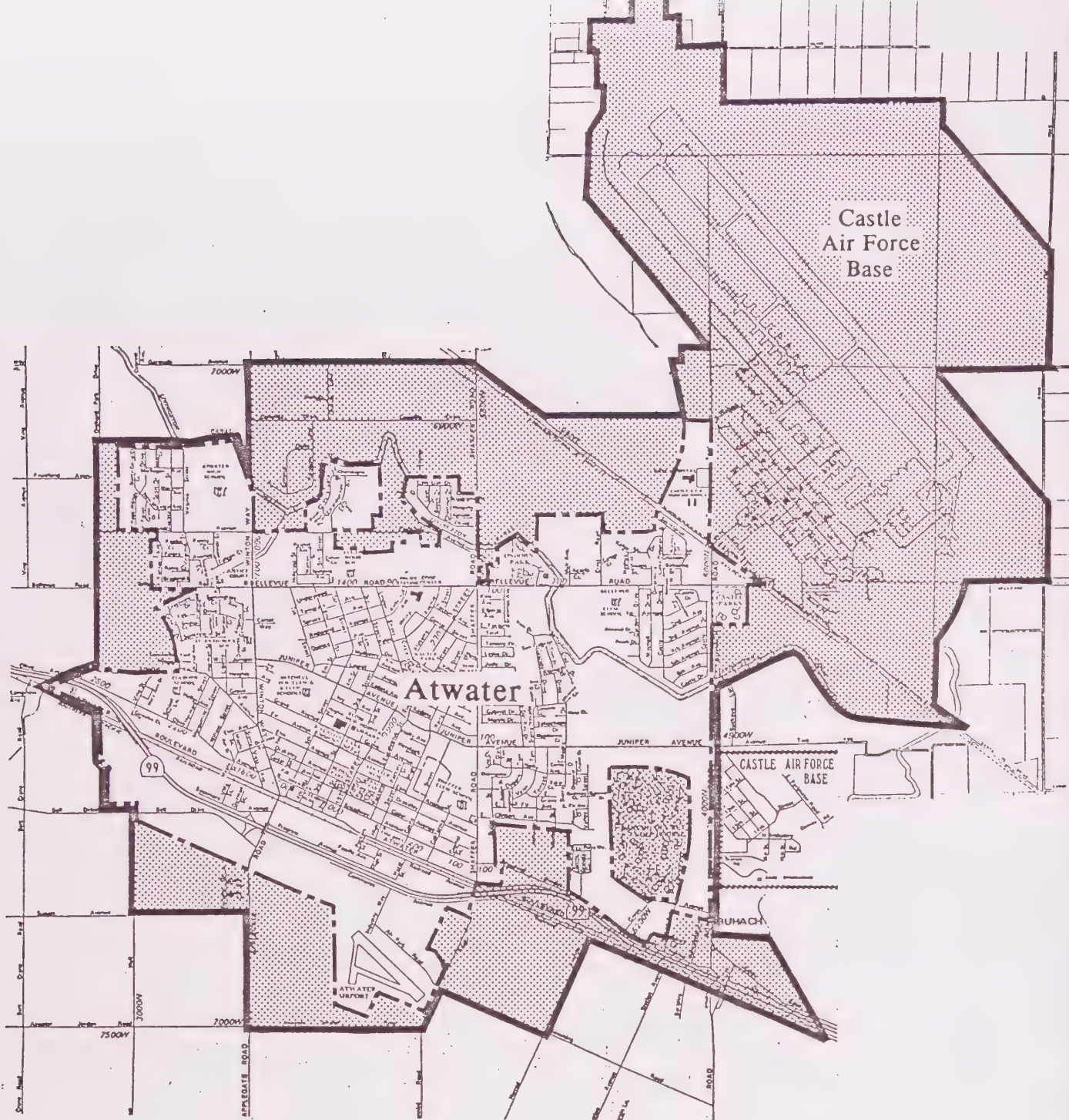
PLAN AREA

Two geographic areas are significant for planning purposes. The first is the area within the City's current General Plan (See Figure 1). This area provides sufficient vacant residential lands to meet local housing needs through 1997. The second area is the much larger General Plan study area proposed in the update to the City's General Plan (See Figure 2). This area has been established as the potential growth area for the City of Atwater.



STATE OF CALIFORNIA





LEGEND:

- Sphere Of Influence Boundary
- Atwater City Limits
- Area Bounded Within Atwater Urban Expansion Boundary To Be Included Within The Sphere Of Influence

II EVALUATION OF THE 1986 HOUSING ELEMENT

Pursuant to Section 65588 of the Government Code, the City of Atwater has reviewed its Housing Element and evaluated the appropriateness of its housing goals, objectives, and policies in contributing to the attainment of the State housing goal. The Element was also reviewed for its effectiveness in attainment of the community's housing goals and objectives, and for the progress made toward meeting these goals. This Housing Element has been revised to reflect the results of this review.

The plan period was a time of substantial change within the Nation, State and the City of Atwater. The growing national debt combined with slowdowns in the economy in the late 1980s contributed to the Federal government reducing the funding levels of many programs and eliminating many others. This resulted in a lack of available funds, such as revenue sharing, which the City relied upon to finance capital improvements and some non-required service positions.

In addition, the State's support to municipal governments came under closer scrutiny as more impacts from Proposition 13 were felt. Again, the slowdown in the economy and growing concerns over the fiscal status of the State resulted in substantial reductions in the amount of money that counties received. As State and Federal funding was reduced, there was a corresponding reduction in the level of service that the county could provide to its cities.

The smaller cities of California in particular have been hard hit by the loss of funding. Faced with growing demands for services from their residents and cutbacks in assistance from Federal and State sources, many cities have been forced to utilize whatever budgetary reserves they had established to continue providing essential services to their residents. As the budget reserves are depleted staffing levels in "nonessential departments" come under added scrutiny often resulting in positions going unfilled, or layoffs.

The Atwater Planning Department is comprised of the Planning Division and the Building and Safety Division. The Planning Division is responsible for the processing of all rezoning, parcel maps, conditional use permits, variances, and building plan checking and inspections. The Planning Division experienced major changes in personnel during the planning period for the 1986 Housing Element. These changes included replacement of the community development director, associate planner, and planning secretary positions.

1986 ELEMENT

The 1986 City of Atwater Housing Element established six separate goals to facilitate the development needs of the City and to direct City, State and Federal resources in the plan period (1986-1992). The housing programs were designed to meet the City's share of housing as projected by the Merced County Associated of Governments (MCAG). The City, MCAG, and in cooperation with the State, defined the number of expected new households by income group.

The following table shows an estimate of housing need by income groups during the planning period.

<p style="text-align: center;">TABLE 1</p> <p style="text-align: center;">DISTRIBUTION OF HOUSING NEEDS IN 1986 ELEMENT FOR THE CITY OF ATWATER PLANNING PERIOD 1986-1992</p>	
Income Level	Projected Need
Very Low	307
Other Low	324
Moderate	375
Above Moderate	700
Total	1,706

Source: 1986 Atwater Housing Element

GENERAL GOALS AND POLICIES

The 1986 Housing Element proposed the implementation of 27 policies derived from six general goals to assist the City in meeting its MCAG housing needs share.

The Housing Element states that Atwater will, during the planning period 1986-1992, ensure that sufficient land has been zoned; participate to the extent feasible in infrastructure projects; make applications to State and Federal agencies to provide rehabilitation assistance; and encourage participation of other local agencies in the development of 1,706 new housing units and rehabilitation and conservation of 860 existing units.

The City of Atwater has had reasonable success in implementing past housing goals and objectives and has implemented changes in the Zoning Ordinance to allow for higher densities and alternative housing types. Below is a summary of each goal, policy and its implementing action and an evaluation of progress made toward achieving the goals during the period of the Element.

GOAL A

To provide alternative housing choices at affordable costs for all segments of the City.

Programs

- 1.1 Participate in infrastructure development with non-profit agencies to promote assisted housing, and assist in the identification and improvements of sites for assisted housing throughout the City.

Implementing Agency: Planning Department, Redevelopment Agency, Housing Authority

Funding Source: City staff time, Federal and State housing funds, and Redevelopment funds

Objective: To provide lower cost land and improvements for assisted housing in suitable settings.

1986	0 units
1987	20 units
1988	20 units
1989	20 units
1990	0 units
1991	0 units
1992	20 units

Timetable: Ongoing

STATUS: The City and the Redevelopment Agency provided close to \$200,000 in assistance to the Merced County Housing Authority for public improvements for a senior citizen project and \$125,000 in the form of a HUD grant. The Redevelopment Agency and the Woodhaven Subdivision developer joint ventured to provide affordable housing. The Redevelopment Agency provided \$150,000 in grant money for public improvements for the Woodhaven Subdivision and the developer agreed to provide single family ownership for low and moderate income persons. Assisted housing units totalled 65, with voters approving an additional 50 units.

- 1.2 Increase the number of Public Housing Units and the use of Federal rent subsidy programs such as Section 8 by supporting efforts of the Housing Authority to receive authority for an additional 100 units of assisted housing by Article 34 Referendum; and sponsoring efforts of the Housing Authority to leverage more Section 8 Existing and Moderate Rehabilitation units from HUD.

Implementing Agency: City Administrator, Planning Department, and Housing Authority

Funding Source: City staff time and Federal housing funds

Objective: To provide for additional assisted rental housing in suitable settings.

1986	0 units
1987	10 units
1988	10 units
1989	10 units
1990	10 units
1991	5 units
1992	0 units

Timetable: Ongoing

STATUS: HUD Section 8 New Construction was eliminated shortly after the plan was adopted. While the City was unable to secure additional rental housing, CDBG funds were obtained to help keep some units from being destroyed. The full extent of the use of these funds is described in 2.2 on page 13. Once a decision on the disposition of the Castle Air Force Base housing units is made, the Housing Element will need to be amended to reflect these changes.

- 1.3 Examine existing zoning laws at a minimum of once per year or as needed, on a case by case basis, to insure that innovative housing types such as patio homes, garden apartments, and townhouses are considered and can be constructed cost effectively in desirable settings.

Implementing Agency: Planning Department

Funding Source: City staff time

Objective: To ensure reasonable opportunities for innovative and efficient and effective residential development at affordable cost.

Timetable: Minimum of once per year or on a case by case basis as needed.

STATUS: The city reviews existing zoning laws as required, and conducts a consistency review annually. As a portion of the General Plan Update, significant revisions to the zoning ordinance are anticipated to reflect changes in development policy. Once these changes are proposed, their effect on the Housing Element will need to be analyzed. This

review will occur as part of the annual General Plan consistency review, and forwarded to State HCD.

- 1.4 Maintain the use of "planned development" "planned community" and "urban cluster concepts" to stimulate the formation of integrated well balanced neighborhoods for annexations and infill developments.

Implementing Agency: City Administrator and Planning Department, Redevelopment Agency

Funding Source: City staff time

Objective: To provide opportunities for innovative and efficient and effective development of residential units at affordable cost.

1986	50 units
1987	100 units
1988	250 units
1989	50 units
1990	50 units
1991	50 units
1992	50 units

Timetable: On-going

STATUS: Changes in the Zoning Ordinance have allowed staff to be more flexible in reviewing proposals for planned unit developments. Staff has reviewed several proposals for planned development since 1986. The City of Atwater encourages planned developments for the formation of integrated well balanced neighborhoods.

- 1.5 Maintain the use of "second unit" housing on single family lots as a means of providing additional affordable housing opportunities especially to older residents.

Implementing Agency: Planning Department

Funding Source: City staff time

Objective: To provide affordable rental housing for older residents of the City.

Timetable: On-going

STATUS: Second unit housing is permitted by current zoning.

- 1.6 To prepare and adopt a "density bonus" amendment to the subdivision ordinance allowing additional density for developments that provide for affordable housing.

Implementing Agency: Planning Department

Funding Source: City staff time

Objective: To provide affordable housing

Timetable: June 1987

STATUS: Section 65915 of the Government Code requires that a city provide a density bonus provision of its subdivision ordinance that would allow up to 50 percent increase in allowable density for units meeting a variety of income criteria. Due to a lack of discretionary funding, the City has not prepared an ordinance to specifically address density bonuses. The City is however, prepared to complete an ordinance within 90 days of a request as is allowed under §65915(d). As the zoning ordinance is currently under substantial revision, a goal of the updated element is to include provisions for density bonuses.

GOAL B

To conserve and revitalize existing housing stock and protect existing residential areas, the City of Atwater shall:

Policies

- 2.1 Maintain a strict policy of enforcement of housing and building codes to prevent initial deterioration of viable housing units.

Implementation Agency: City Administrator and Planning/Building Department

Funding Source: City staff time

Objective: To provide early identification and assistance if feasible, to housing units that may be lost due to lack of maintenance or abuse.

Approximately 20 units per year

Timetable: On-going

STATUS: The enforcement of housing and building code requirements have seen the abatement of 18 substandard housing units since 1987.

- 2.2 To the extent possible, apply for available Federal and State Grant funds to undertake rehabilitation and upgrading of the existing housing stock. Consider changes to existing codes and standards to promote housing rehabilitation and neighborhood revitalization.

Implementing Agency: City Administrator and Planning Department, Redevelopment Agency

Funding Source: City staff time, Community Development Block Grants, and Redevelopment Agency Tax Increment, Farmers Home Administration 504 and 514 programs, local lending institutions

Objective: To rehabilitate a total of 360 units during the planning period.

1986	60 units
1987	60 units
1988	60 units
1989	60 units
1990	60 units
1991	60 units
1992	60 units

Timetable: On-going

STATUS: The City has continued to file Community Development Block Grant Applications since 1986. The most recent applicant was approved in 1991 for \$500,000. This money was granted for the rehabilitation of 25 substandard housing for low income households.

- 2.3 Support and encourage by submission of letters, resolutions, and personal testimony the continuation of public, non-profit organization and public utility weatherization programs for existing units.

Implementing Agency: City Administrator and Planning Department

Funding Source: City staff time

Objective: To maintain low cost insulation and weatherization programs through Merced County Community Action Agency, other non-profit organizations, and Pacific Gas and Electric Company.

1986	20 units
1987	20 units
1988	20 units
1989	20 units
1990	20 units
1991	20 units
1992	20 units

Timetable: On-going

STATUS: The City supported the Merced County Community Action Agency Weatherization Program to weatherize over 240 residences.

- 2.4 Encourage infilling of vacant residential land within the City of Atwater by allowing owners to develop at higher densities as suitable in particular neighborhoods.

Implementing Agency: City Administrator and Planning Department, Redevelopment Agency

Funding Source: City staff time

Objective: To provide opportunities for innovative and efficient and effective residential development at affordable cost.

1986	50 units
1987	50 units
1988	50 units
1989	50 units
1990	50 units
1991	50 units
1992	50 units

Timetable: On-going

STATUS: The City approved in-fill projects of several units. Current zoning allows development for higher densities.

- 2.5 Continue the abatement program for the elimination of dilapidated housing units and weed abatement and debris elimination enforcement.

Implementing Agency: City Administrator, Planning/Building Department

Funding Source: City staff time

Objective: To address blight, and detrimental public health and safety conditions in a direct and efficient manner.

Timetable: On-going

STATUS: The enforcement of housing and building code requirements have seen the abatement of 18 totally substandard housing units since 1987.

- 2.6 Develop an ordinance requiring appearance improvements to the appearance of substandard housing.

Implementing Agency: City Administrator and Planning Department

Funding Source: City staff time

Objective: To prevent the advent of blighted conditions.

Timetable: January 1988

STATUS: An ordinance has not been developed and adopted at this time.

- 2.7 Protect existing and planned neighborhoods from excessive noise, through traffic, or incompatible or inappropriate land uses.

Implementing Agency: Planning Department

Funding Source: City staff time

Objective:	To evaluate each residential and commercial project application to ensure the compatibility or reasonable mitigation measures.
Timetable:	On-going
STATUS:	Where development projects could generate excessive noise, through traffic, or incompatible or inappropriate land uses, potential impacts are assessed along with mitigation measures to reduce impacts to an acceptable level. The California Environmental Quality Act (CEQA) requires an analysis of the environmental impacts of proposed public and private projects which may have an effect on the environment.

GOAL C

To upgrade the quality of living for the citizens of Atwater throughout maintenance of appropriately served residential areas, the City of Atwater shall:

Policies

- 3.1 Encourage rehabilitation and increased concentration of business activity and preserve land for higher density residential use within the central core by offering financial incentives of low interest loans or directly providing infrastructure improvements.

Implementing Agency:	City Administrator and Planning Department, Redevelopment Agency
Funding Source:	City staff time, Redevelopment Agency Tax Increment, Community Development Block Grant, and local lending institutions.
Objective:	To provide opportunities for innovative and efficient and effective development of residential units at affordable cost.
Timetable:	On-going
STATUS:	The City has an active redevelopment agency that administers CDBG funding within eligible areas of the downtown. The redevelopment agency has helped create the Applegate Industrial Park and significant improvements to the downtown area. The agency is also actively

pursuing technical assistance monies from the state to complete a specific plan for frontage along Business 99. Under provisions of the CDBG grant, the activities of the redevelopment agency address needs of a targeted income group (TIG). Through the redevelopment agency, small businesses are eligible for improvement and expansion loans provided that they can show a benefit to the TIG.

- 3.2 Examine deficiencies in the existing infrastructure and formulate long term improvement plans and financing opportunities. Provide adequately served sites to the extent possible to meet the identified housing needs of the current and prospective population of the area.

Implementing Agency: City Administrator and Planning Department, Redevelopment Agency, and City Engineer

Funding Source: City staff time, Redevelopment Agency Tax Increment, Developer fees and staff time, as appropriate assessment districts.

Objective: To provide needed in infrastructure improvements to provide for new housing and infill development at the most affordable cost.

1986	50 units
1987	50 units
1988	50 units
1989	50 units
1990	50 units
1991	50 units
1992	50 units

Timetable: On-going

STATUS: Major infrastructure improvement projects during the period 1986-1992 include: expansion of the Atwater Wastewater Treatment Plant in 1991.

- 3.3 Continue programs to maintain parks and other public facilities to enrich the appearance of residential areas.

Implementing Agency: City Administrator and Planning Department, Redevelopment Agency, and Parks and Recreation Department.

Funding Source:	City staff time, Redevelopment Agency Tax Increment, local fees and charges.
Objective:	To maintain an acceptable Park maintenance budget.
Timetable:	On-going
STATUS:	The City collects fees and other charges for the maintenance of parks and other public facilities.

GOAL D

To insure that residential development occurs in orderly patterns to minimize possible adverse effects of growth, the City of Atwater shall:

Policies

- 4.1 Discourage "leap frog" developments which make accessibility to public services difficult and expensive through strict enforcement of environmental, LAFCO, and City subdivision requirements.

Implementing Agency:	Planning Department
Funding Source:	City staff time
Objective:	To evaluate each residential and commercial project application to ensure the compatibility or reasonable mitigation measures.
Timetable:	On-going
STATUS:	The City of Atwater enforces requirements that discourage "leap frog" development.

- 4.2 Review the goals, objectives and policies of the Housing Element at least every five years, in order that housing needs can be efficiently addressed.

Implementing Agency:	City Administrator and Planning Department
Funding Source:	City staff time
Objective:	To meet the requirements of State Law.
Timetable:	Begin revision in January 1992

STATUS: The goals, objectives and policies of the Housing Element prepared in 1986 are being reviewed in this update of the Housing Element which is expected to be adopted in 1992.

GOAL E

To achieve energy efficiency in housing activities, the City of Atwater shall:

Policies

- 5.1 Through the City's Site Plan Review Process ensure housing construction that is environmentally sound, cost effective, and energy efficient, and encourage new developments to incorporate housing design and orientation techniques that reflect energy efficient site planning and use of passive solar access standards.

Implementing Agency: Planning/Building Department, City Engineer

Funding Source: City staff time

Objective: To evaluate each residential and commercial project application to ensure the compatibility or reasonable mitigation measures.

Timetable: On-going

STATUS: The City reviews applications and recommends measures that would increase energy efficiency on a voluntary basis.

- 5.2 On an as needed basis, analyze City zoning ordinance to identify and make recommendations for amendments to requirements which inhibit site planning for solar access.

Implementing Agency: Planning Department, City Engineer

Funding Source: City staff time

Objective: To evaluate each residential and commercial project applicant to ensure the compatibility or reasonable mitigation measures.

Timetable: Ordinance Review - 1986

STATUS: Ordinance review has been completed, and the Ordinance has been amended, as required.

5.3 Evaluate mechanisms available to guarantee solar rights in new subdivisions.

Implementing Agency: City Administrator, Planning Department, and City Engineer

Funding Source: City staff time

Objective: To provide protection of solar access to new and existing residential uses.

Timetable: Ordinance Review - 1986

STATUS: This policy was not implemented.

GOAL F

To insure citizen participation and program achievement, the City shall:

Policies

6.1 Evaluate the effectiveness and productivity of housing policies and monitor program implementation for achievement of the identified goals.

Implementing Agency: City Administrator and Planning Department

Funding Source: City staff time

Objective: To ensure the needs of City residents are being met and programs are effectively targeted toward those needs.

Timetable: On-going

STATUS: The Planning Commission and Atwater Redevelopment Agency complete periodic review of housing policies and programs. Further, the overall effectiveness of housing policies and programs are reviewed during the update of the Housing Element. As required by Government Code Section 65583, a Housing Element must review the previous element's goals, policies, programs and objectives to ascertain the effectiveness of each factor and revise the update based upon the results of the review.

- 6.2 The City will participate in the Merced County Community Housing Resources Board. The Board addresses Equal Opportunity and Fair Housing issues within Merced County and is currently funded by the United States Department of Housing and Community Development.

The City will provide literature regarding fair housing practices and make complaint referrals to the Merced County Community Housing Resources Board.

Implementing Agency: City Administrator and Planning Department

Funding Source: City staff time

Objective: To ensure that the Equal Opportunity and Fair Housing needs of City residents are being met and programs are effectively targeted toward those needs.

Timetable: On-going

STATUS: The City provides information on fair housing practices and makes complaint referrals to the Merced County Community Housing Resources Board.

- 6.3 Maintain coordination with area-wide housing policies.

Implementing Agency: City Administrator and Planning Department

Funding Source: City staff time

Objective: In relation to the area-wide housing programs and policies, ensure the needs of City residents are being met and programs are effectively targeted toward those needs. To participate with in establishing area-wide housing goals and policies.

Timetable: Ongoing

STATUS: The Atwater-Merced County Housing Authority provides 101 housing units under the Section 8 Program and 51 low rent units under the Low Rent Program.

- 6.4 Establish clear and specific procedures to enable citizens to participate in determining housing policies and programs.

Implementing Agency: City Administrator and Planning Department

Funding Source: City staff time

Objective: To ensure the needs of City residents are being met and programs are effectively targeted toward those needs.

Timetable: On-going

STATUS: The City of Atwater has developed this updated Housing Element with the benefit of citizen participation and has established clear and specific procedures to facilitate citizen involvement. The programs contained in the Element are a reflection of more specific citizen input into the preparation of various grants, public assistance meetings, infrastructure development sessions, Redevelopment Agency meetings, and overall City government participation opportunities.

- 6.5 Provide annual housing progress reports to summarize changes in the City's housing balance and report progress in goal achievement.

Implementing Agency: City Administrator and Planning Department

Funding Source: City staff time

Objective: To ensure the needs of City residents are being met and programs are effectively targeted toward those needs.

Timetable: On-going

STATUS: In February 1992, the City of Atwater established the Atwater Housing Authority. This agency, in conjunction with the Merced County Housing Authority will continue to monitor housing imbalances in the City of Atwater.

- 6.6 Incorporate policies and programs adopted herein, in land use allocations and elsewhere as appropriate in General Plan updates and amendments.

Implementing Agency: City Administrator and Planning Department

Funding Source: City staff time

Objective: To ensure the needs of City residents are being met and programs are effectively targeted toward those needs.

Timetable:

On-going

STATUS:

The Atwater General Plan is in the process of being updated and is expected to be adopted by the City Council within 1992. The General Plan will reflect policies and programs identified in this Housing Element.

Effectiveness of the 1986 Housing Element

By and large, the primary reason that a stated goal or objective was not met, was due to significant reductions in state and federal assistance. As noted in goal 1.2 for example, entire funding programs were eliminated over the course of the previous element substantially reducing the city's ability to finance new construction. The result was essentially a listing of goals, policies and objectives that were "ideal", with no real chance of being realized. In some cases, identification of the goal or policy was essential to qualify for whatever state and federal assistance was available. All too often however, this assistance was insufficient to meet the stated need, or competition for scarce funds too great, to allow the City to meet its need. As a result of this experience, subsequent programs and policies included in this update were designed to identify those programs over which the city has complete control, as well as those that require actions by others. The City is committed to do those things solely within its power to encourage affordable housing, and to lobby other agencies to release the necessary funding and programs to enable the City to meet its needs.

During the duration of the 1986 Housing Element, the staff of the City was changed, and new personnel hired to fulfill the positions. This transition, and an inability to hire a large staff due to budget constraints, put many of the staff-time funded goals and policies on hold. Since 1990 however, staff at the City has been increased, and a new General Plan has been prepared to ease day-to-day demands on staff time. As a result, some of the staff-time funded activities of the 1986 element have been carried through to this update with confidence that sufficient staff resources will be available.

While the City was successful in implementing many of the programs and policies established in the 1986 Housing Element there were short falls. The total number of homes to be built on an annual basis was primarily unmet due to interest rate fluctuations and slowdowns in the economy. The ability of the City to carry out programs and improve housing was directly dependent on the availability of Federal and State grants and local funds.

Many of the programs that required commitment of either Federal, State, County or City funds and/or resources were not met because of changes in budget priorities, budget shortfalls, changes in policy and manpower. During the planning period, the City of Atwater replaced the planning director and experienced other staffing changes. In addition to day-to-day planning activities, it is the department's responsibility to provide staff support to the Planning Commission, Redevelopment Commission, and City Council. In light of the daily work load that the planning

staff must carry, the proposed implementation of the many plans listed was a more aggressive goal than may have been practical.

Taking into consideration the experiences of the 1986 Housing Element, the 1992 plan has established goals that are more realistic while still designed to meet the housing needs of the community.

III COMMUNITY PROFILE

In order to establish housing goals and policies, the housing needs of Atwater must be determined. This section provides an overview of Atwater's recent growth in terms of population and economic development. *The Regional Housing Needs Plan* prepared by the Merced County Association of Governments, April 1991, should be referred to for additional information.

The City of Atwater is located in northeast Merced County which lies within the central portion of the San Joaquin Valley in an area generally forming the geographic center of the State of California. The City is located approximately 100 miles southeast of San Francisco and 275 miles northeast of Los Angeles, lying along State Route 99, which bisects the community.

Immediately north of Atwater is the smaller community of Winton which has a population of approximately 7,410² in around the urbanized area. To the east of Atwater is the City of Merced. As the largest City in the County, Merced has a population of 56,216².

Merced County is one of the richest agricultural areas in the nation. As a result, agricultural activities are the most significant and influential economic force within the County. Traditionally an agriculturally based community, Atwater has undergone significant growth in the last two decades. The make up of the community has changed and the agricultural base has given way to increased residential and commercial development.

In the City of Atwater, a large portion of the population is in one way or another related to Castle Air Force Base, either as military retirees, civilian employees of the Base, active military personnel or their dependents. This factor has a strong affect on the social and economic characteristics of the community. When coupled with the Federal government housing activities, a large percentage of the population and housing characteristics are dependent on the activities at Castle Air Force Base.

As shown in Table 2, the number of persons living in Atwater at or above the poverty level has decreased slightly from 90 percent of the population in 1980 to 87 percent in 1990.

TABLE 2				
ATWATER - POVERTY STATUS IN (1979 AND 1989)				
	1979	Percent	1989	Percent
At or Above Poverty	15,703	90%	19,219	87%
Below Poverty	1,778	10%	2,765	13%
Total	17,481	100%	21,984	100%

Source: U.S. Bureau of Census 1980, 1990.

POPULATION

Atwater's population has grown significantly since 1980. Table 3 indicates that between 1980 and 1990, the population grew at an average annual rate of 2.7 percent. This trend is expected to continue as shown in Table 4.

Population growth projections shown in Table 4 are from the *Population and Employment Forecasts for Merced County, 1990 through 2010* prepared by MCAG. Population forecasts prepared by MCAG for Atwater and utilized for the *Regional Housing Needs Plan* show an average annual growth rate of 2.6 percent. Population projections were developed prior to the announcement that Castle Air Force Base will be closed in 1995. It is likely that the rate of growth will be lower than anticipated. However, revised population forecasts for Merced County and incorporated cities, prepared by MCAG in April 1991 (refer to Table 5) show an average annual growth rate of 3.7 percent from 1990 to 2000 and 2.8 percent from 2000 to 2010 for the City of Atwater.

TABLE 3				
POPULATION TRENDS 1980 - 1990				
	1980	% of County	1990	% of County
Merced County	134,560		178,403	
Incorporated	58,599	56.5	108,461	60.8
Unincorporated	75,961	43.5	69,942	39.2
City of Atwater	17,530	13.0	22,282	12.5

Source: U.S. Bureau of Census 1980, 1990. Merced County Housing Chapter of the General Plan, 1992-1997. (Draft)

TABLE 4			
POPULATION GROWTH PROJECTIONS			
	1990	2000	2010
Merced County	178,403	249,045	367,299
Atwater	23,731	31,891	42,858

Source: *Population and Employment Forecasts for Merced County 1990 through 2010*, prepared by MCAG.

Note: U.S. Bureau of Census for 1990 shows a population of 178,403 for Merced County and 22,282 for the City of Atwater.

TABLE 5			
POPULATION GROWTH PROJECTIONS (BASED ON CASTLE AIR FORCE BASE REPLACEMENT BY 1995)			
	1990	2000	2010
Merced County	178,403	261,654	362,076
Atwater	22,282	35,326	48,947

Source: *Employment Forecasts for Merced County, February 1992, Based on Castle Replacement by 1995*, prepared by MCAG.

EMPLOYMENT

In Atwater, as a direct result of the proximity of the City to Castle Air Force Base, a percentage of the employment population is in the armed forces. According to the 1990 Census, *Labor Force Status by Sex and Race/Hispanic Origin*, approximately 17.2 percent of the labor force are in the service. After deducting the persons not in the labor force from the total, 7,901 persons or 75 percent of the labor force are civilian employees.

One of the largest employment sectors in the County is agriculture. Housing for agricultural employees is not only significant because of the large numbers of permanent and seasonal employees which combined make it the largest employment sector, but because the seasonal influx of migrant workers creates a great demand for temporary housing.

The primary agricultural activities in the area of Atwater is the cultivation of almonds, and to a lesser degree, dairy farming, grains (corns and oats), grapes, sweet potatoes, and fruit orchards. Most of the activities are highly seasonal with most employee demand starting in the early summer and increasing into early fall when crops are harvested.

In addition to agriculture, manufacturing industries, retail trade, and education have large numbers of employees. Table 6 indicates the percentage of persons employed in each sector.

TABLE 6								
ATWATER EMPLOYMENT STATUS								
Source of Employment	Male		Female		Total		Percent of Labor Force	
	1980	1990	1980	1990	1980	1990	1980	1990
Armed Forces	2,080	1,611	356	204	2,436	1,815	29.2	17.2
Civilian Employed	2,537	3,845	2,688	4,056	5,225	7,901	62.8	75.0
Civilian Unemployed	287	397	376	430	663	827	8.0	7.8
Not in Labor Force	1,010	1,385	2,613	3,124	3,623	4,509	--	--
Total	5,914	7,238	6,033	7,814	11,947	15,052		

Source: U.S. Bureau of Census, 1980, 1990.

Employment Projections

The economy of Atwater is dominated by agriculture and Castle Air Force Base. As shown in Table 7, the number of Atwater residents within the military has decreased from 29.2 percent in 1980 to 17.2 percent in 1990, which will continue to decrease as Castle Air Force Base prepares for closure in 1995. With the expected closure of the Base, there will be a major change in the employment base in Atwater. As of September 1990, there were 5,176 active duty military personnel at Castle Air Force Base and an additional 9,742 active duty military dependents. Further, there is an estimated 6,641 military retirees in the general Merced-Atwater area. Because of the size of Castle Air Force Base, a large percentage of the private sector is dependent on the military base for their livelihood. Estimated secondary jobs created off base by Castle Air Force Base operation expenditures was estimated as 1,462 in fiscal year 1990³. Without specific reuse plans for the Castle Air Force Base property, employment projections cannot be accurately estimated at this time. However, the Merced County Association of Governments (MCAG) revised their employment projections for Merced County in February 1992, based on the replacement of Castle Air Force Base by 1995.

TABLE 7

1990 ATWATER EMPLOYMENT BY INDUSTRY*

Industry	City of Atwater	%	Merced County	%
Agriculture	654	8.3	11,814	17.9
Mining	0	0	88	0.1
Construction	462	5.8	4,212	6.4
Manufacturing				
Nondurable	590	7.4	5,442	8.2
Durable	337	4.2	3,213	4.9
Transportation	348	4.4	2,292	3.5
Communications and Utilities	76	1.0	1,237	1.9
Wholesale Trade	244	3.1	2,632	4.0
Retail Trade	1,461	18.5	10,736	16.2
Finance, Insurance and Real Estate	391	5.0	3,004	4.5
Business/Repair Services	353	4.4	2,500	3.8
Personal Services	164	2.1	1,407	2.1
Recreation/Entertainment Services	77	1.0	701	1.1
Health Services	804	10.2	4,665	7.1
Education Services	896	11.3	6,436	9.7
Other Professional Services	496	6.3	3,196	4.8
Public Administration	548	7.0	2,541	3.8
Total Employed	7,901	100.0	66,116	100.00

* Employed Persons 16 Years of Age and Older. Source: U.S. Bureau of Census, 1990.

MCAG has estimated that the Castle replacement facility will provide the following jobs:

<p style="text-align: center;">TABLE 8</p> <p style="text-align: center;">MERCED COUNTY JOB FORECASTS FOR THE CASTLE REPLACEMENT FACILITY (1990-2010)</p>				
	1995	2000	2005	2010
Wage and Salary Jobs Created by the Replacement Facility	500	3,000	4,000	5,000
Non-Basic Wage and Salary Jobs*	560	3,357	4,109	5,228
Total	1,060	6,357	8,109	10,228

*Non-basic wage & salary jobs include government, construction, services, and retail.

Source: Employment Forecasts for Merced County Based on Castle Replacement by 1995, MCAG, February 1992.

With the increased mechanization of agricultural practices, the need for farm workers is expected to diminish. In addition, the current statewide drought conditions have limited some farming activities. These two factors and the encroachment of urban development into agricultural lands will have a material affect on Atwater's housing needs. As the agricultural base of the County changes and relocates further from the urbanized areas of Merced County, the desirability of Atwater as a residential area for farm workers may diminish.

Increased commercialization and the future reuse of the Castle Air Force Base by a major employer could provide employment opportunities for a large segment of the community and could help provide a stable economic environment for continued housing growth.

IV HOUSING PROFILE

This section provides an overview and comparison of Atwater's housing stock. Analysis of past trends of the housing stock provides a basis for determining the future housing needs of Atwater.

HOUSING CHARACTERISTICS

A review of census data indicates that the Atwater's housing stock expanded by 1,021 units during the period 1980-1990, an average annual increase of 102 units. The actual growth of the housing inventory, however, has not been constant over time.

TABLE 9			
TOTAL HOUSING STOCK 1980-1990			
	1980	1990	% Increase 1980-90
Merced County	48,912	58,410	19.4
Atwater	6,401	7,422	16.0

Source: U.S. Bureau of Census, 1980, 1990 and Merced County
Housing Chapter of the General Plan, 1992 - 1997 (Draft).

The 1970s were a time when the availability of money for financing new home construction was readily available and the idea of commuting to gain an improved lifestyle began to take hold. In addition, new commercial and industrial development started to take place and the perception of Atwater as a desirable place to live was enhanced.

In the early 1980s the cost of financing made purchase of a home prohibitive to many Americans. In a small community like Atwater the effects of high interest rates compounded with relatively low paying jobs worsened the local effect of a national problem.

An examination of census data provides insight into the changing demand for different types of dwelling units within the City and County. The three basic types of housing units for which data are presented are: single-family detached units, multiple-family units which range in size from duplexes to large apartment developments containing many units, and mobile homes located in mobile home parks and on individual lots.

Although the predominant type of dwelling unit continues to be the conventional single-family residence, its predominance has been steadily declining. As indicated in Table 10, single-family units in Atwater fell from 70.3 percent of the total housing stock in 1980 to 66.1 percent in 1990 while multiple-family units and mobile homes experienced increases of 3.0 percent and 1.2 percent, respectively. Statewide trends indicate a similar decline due primarily to an increased market share of lower-priced mobile homes and rental apartment units.

TABLE 10					
TOTAL DWELLING UNITS BY TYPE OF STRUCTURE CITY OF ATWATER 1980 - 1990					
Dwelling Type	1980		1990		% Change 1980 - 90
	Units	% of Total	Units	% of Total	
Single Family	4,500	70.3	4,905	66.1	-4.2
Multiple Family	1,454	22.7	1,911	25.7	3.0
Mobile Homes	447	7.0	606	8.2	1.2
Total Dwelling Units	6,401	100.0	7,422	100.0	

Source: U.S. Bureau of Census 1980, 1990 and DOF Report E-8090CITY.

The proportion of the City's housing supply comprised of multiple-family units has steadily increased from 22.7 percent of housing stock in 1980 to 25.7 percent in 1990.

The housing stock in Atwater is undergoing a transformation. The older portions of the community are beginning to deteriorate while new housing is being constructed primarily to the north and southwest of the City.

Although the number of mobile homes is relatively small in comparison to single and multi-family residential structures, the percentage has remained relatively constant from 1980 to 1990. The slight increase in percentage of mobile homes indicates that the number of mobile homes will not become significant in the coming years.

Information pertaining to housing replacement and demolition rates is contained in the *Regional Housing Needs Plan*, April 1991 prepared by the Merced County Association of Governments.

HOUSEHOLD CHARACTERISTICS

Before current housing problems can be understood and future needs anticipated, housing occupancy characteristics must be identified. An analysis of household size, household growth, tenure, and vacancy trends complements the previous analysis of population and housing characteristics during the same time period.

While the average household size has been decreasing throughout the State it has remained constant within the City of Atwater. This household size (3.08 in 1990) provides an increased demand for housing units that provide larger living areas than might be typical in other areas of the State.

As shown in Table 13 the percentage of owner occupied dwellings within Atwater slightly decreased between 1980 and 1990. This can be directly attributed to the higher cost of housing, insecurity over jobs and the local and national economy, and more recently concern over the impacts of the Castle Air Force Base closure.

Households

A review of available data shown in Table 11 indicates that Atwater's households increased by 1,493 or 26.2 percent during the period 1980 to 1990.

TABLE 11			
TOTAL HOUSEHOLDS 1980-1990			
	1980	1990	% Increase 1980-90
Merced County	44,539	55,331	24.2
Atwater	5,696	7,189	26.2

Source: U.S. Bureau of Census, 1980, 1990.

Household Size

The consistent average household size in Atwater is contrary to the existing trend throughout Merced County during the 1980s and 1990s. In 1980, the average number of persons per household unit in Atwater was 3.08; more recent census data indicate that the average household size did not change in 1990 as shown in Table 12. The relatively high housing size for the City of Atwater can be attributed to a combination of relatively low paying jobs, moderate housing costs and ethnic traditions for large families. While the City can work to provide more affordable housing, the other factors are more regional in scope and would require more resources that the City of Atwater could reasonably provide.

TABLE 12			
AVERAGE PERSONS PER UNIT 1980-1990			
	1980	1990	% Increase 1980-90
Merced County	2.98	3.17	6.4
Atwater	3.08	3.08	0.0

Source: U.S. Bureau of Census, 1980, 1990. DOF Report E8090CITY.

Housing Tenure

Home ownership within Atwater only slightly changed during 1980 to 1990 as shown in Table 13. The percentage of home ownership in a community is a good gauge of affordability of housing. That local wages are not keeping pace with housing cost is reflected in the fact that ownership levels have stabilized, and the percentage of owners has begun to decline. This creates a greater demand for rental housing, and can lead to overcrowding as families that could typically afford to purchase a home, are forced by economics to rent a smaller apartment or single family home. While the City can begin to address some of these issues through redevelopment and rehabilitation, the overriding economic situation is beyond the City's resources to address. Solutions to the disparity between local, agriculturally based wages, and the cost of housing need to be found on the state and national level.

TABLE 13								
HOUSING TENURE 1980-1990								
	1980				1990			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
California	3,609,049	54.9	2,964,811	45.1	825,252	55.9	3,804,614	44.1
Merced County	25,710	57.7	18,829	42.3	30,082	54.4	25,249	45.6
Atwater	2,828	49.6	2,868	50.4	3,536	49.2	3,653	50.8

Source: U.S. Bureau of Census, 1980, 1990.

Vacancy Rates

The vacancy rate is a measure of the general availability of housing. It also indicates how well the type of units available meet the current housing market demand. A low vacancy rate suggests that families may have difficulty finding housing within their price range; a high vacancy rate may indicate either the existence of deficient units undesirable for occupancy, or an oversupply of housing units.

In this instance, the City assumes that the low vacancy rate is a result of several factors such as:

- Rising land costs contributing to the cost of constructing new housing.
- The fact that increased housing costs have not be followed by a significant increase in the median wage, particularly for low and moderate income families,
- Uneasiness over the base closure has prompted some military home owners to sell, and then rent elsewhere in the community.
- Changes in the tax law that have made building of apartments on speculation much less financially appealing to investors.

TABLE 14

CITY OF ATWATER VACANCY RATES 1980 - 1990

Occupant Type	1980	1990	Percent Change
Owner	3.9%	0.6%	-3.3%
Renter	10.5%	3.5%	-7.0%

Source: U.S. Bureau of Census 1980, 1990.

The low vacancy rate indicated above reflects the fact that rents in Atwater are consistently lower than those in Merced, with many of the same amenities still available. In addition, according to local real estate sources the price of homes in Atwater are consistently five percent less than comparable housing in Merced.

At the present time there are 5 active subdivisions in the City of Atwater with a total of 526 lots. There are another 181 lots within these subdivisions for which final maps have been filed and will probably developed this year. While these do not represent substantial numbers of units within the context of the total community, they do reflect the market response to the low vacancy factor.

V HOUSING NEEDS

EXISTING HOUSING NEEDS

Like most other areas of the State, Atwater's goal of providing a decent home and suitable living environment for every family has not yet been achieved. The following analysis of current housing conditions documents Atwater's housing problems relative to various segments of the population.

Housing need is a complex issue, consisting of at least three major components: housing affordability, housing quality, and housing quantity. In addition, certain segments of the population have traditionally experienced unusual difficulty in obtaining adequate housing. Those unusual difficulties experienced by the elderly, the handicapped, the female heads of household, the large family, and farm workers are discussed as special housing needs in this section.

Housing Affordability

State housing policy recognizes that cooperative participation of the private and public sectors is necessary to expand housing opportunities to all economic segments of the community. A primary State goal is the provision of a decent home and a satisfying environment that is affordable. The private sector generally responds to the majority of the community's housing needs through the production of market-rate housing. There are many components involved in housing costs. Some of these factors can be controlled at the local level, others cannot. It is a primary goal of Atwater to adopt local policies and procedures which do not unnecessarily add to already escalating housing costs.

Some of the effects or problems which result from increased housing costs include the following.

- Declining Rate of Home Ownership: As housing prices and financing rates climb, fewer people can afford to purchase homes. Households with median and moderate incomes who traditionally purchased homes, compete with less advantaged households for rental housing. This can be expected to result in lower vacancy rates for apartment units and higher rents.
- Overpayment: The cost of housing eventually causes fixed-income, elderly and lower income families to use a disproportionate percentage of their income for housing. This causes a series of other financial problems often resulting in a deteriorating housing stock because the costs of maintenance must be sacrificed for more immediate expenses (e.g., food, clothing, medical care, and utilities).
- Overcrowding: As housing prices climb, lower income households must be satisfied with less house for the available money. This can result in overcrowding which places a strain on physical facilities, does not provide a satisfying environment, and eventually causes conditions which contribute to both deterioration of the housing stock and neighborhoods. Buying a new home has become a major problem for many families, particularly first-time home buyers.

The overpayment of housing as a percentage of disposable income creates economic hardships for families. By spending a substantial portion of their income on housing other needs such as health care and clothing may be neglected. It is imperative that adequate housing opportunities be created to meet the needs of all aspects of the community. The number of households in Atwater spending over 25 percent of their gross income for housing in 1990 is shown in Table 15.

TABLE 15

**ATWATER HOUSEHOLDS SPENDING OVER 25%
OF GROSS INCOME FOR HOUSING 1990**

Occupant Type	Total Households	Income Groups			
		Very Low	% of Total	Low	% of Total
Renter	1,621	536	33.0	771	47.6
Owner	991	152	15.3	179	18.1
Occupant Type		Moderate	% of Total	Above Moderate	% of Total
Renter		280	17.3	34	2.1
Owner		330	33.3	330	33.3
1 Very Low Income not exceeding 50 percent of the median family income of the County. 2 Other Lower Income between 50 and 80 percent of the median family income of the County. 3 Moderate Income between 80 and 120 percent of the median family income of the County. 4 Above Moderate Income above 120 percent of the median family income of the County.					

Source: U.S. Census, 1990.

Note: Median household income for Merced County was \$25,548 in 1989. Income split percentages do not match census income ranges and had to be approximated for some income groups.

As shown in Table 16, median household income increased at a faster rate than the median home value between 1980 and 1990. However, the median home is still not affordable for the median annual household income without a large down payment.

TABLE 16

ATWATER HOUSEHOLD INCOME AND HOUSING VALUE

	1980	1990	Percent Increase
Median Annual Household Income	\$14,764	\$26,701	81 %
Median Home Value	\$56,000	\$89,800	60 %
Median Monthly Contract Rent	\$227	\$377	66 %

Source: U.S. Census, 1980, 1990.

In 1988, the Atwater Redevelopment Agency provided \$150,000 in grant money for public improvements to the Woodhaven Subdivision in exchange for low and moderate income owned housing. These units help provide housing opportunities for that segment of the community that cannot afford to spend more than 25 percent of its income for housing. In addition, the Atwater-Merced County Housing Authority has 101 households being provided assistance through the Section 8 rental subsidy program as well as an additional 51 low rent, 14 senior citizen and 25 single family units.

At the present time the Merced County Housing Authority has a waiting list of 2,346 families that have requested housing within Merced County. Of these households, 127 families have at least one member who is disabled or handicapped, 346 families have an elderly member, and 1,553 families have a female head of household.

In order for the Housing Authority to take a more active role in the development of housing within the City it will be necessary for the City to initiate, and the City electorate to approve, a referendum pursuant to Article 34 of the California Constitution. Article 34 stipulates that approval of the electorate be obtained before any "state public body" develops, constructs or acquires a "low rent housing project." While not every assisted housing opportunity is subject to this provision (Section 8 as an example) it has been determined by the courts that providing financing in the form of bonds or other vehicles could be construed as development.

Housing Quality

In 1991, Self Help Enterprises completed a housing conditions survey for the City of Atwater⁴. The survey was conducted using County Assessor Parcel Number maps. Every housing unit within the City was evaluated first as to whether it was "standard" or "substandard." Multiple housing units were evaluated by the building (i.e., the condition of the building determined the condition of all units within that building). Following the initial evaluation, a 20 percent sample of the substandard units was taken to determine the degree of deterioration. Using the State Department of Housing and Community Development (HCD) housing condition survey parameters, each sample was rated as a "minor," "moderate," or "substantial" rehab, or "dilapidated."

The standards utilized for the survey were established by HCD and reflect the amount of corrective action that is necessary to bring a residence to current standards. The major categories can be summarized as follows:

STANDARD CONDITION - Residences with no significant repairs required.

MINOR REHABILITATION - Residences requiring patching and painting to prevent rapid deterioration.

MODERATE REHABILITATION - Residences requiring upgrading or repair of major structural systems.

SUBSTANTIAL REHABILITATION - Residences requiring reconstruction of basic structural systems. For example, a roof on a moderate rehabilitation project may need new shingles, while a substantial rehabilitation project might require reconstruction of the roof (including trusses and/or sheathing) in addition to replacing the shingles.

DILAPIDATED - Residences that are beyond repair and are subject to demolition.

According to the Self Help Enterprises' study, the bulk of substandard housing in Atwater (units requiring moderate+ rehabilitation), including multiple housing units and apartments, are in an area generally in the older area of Atwater which contains most of the frame-constructed homes and those homes 30 years old and older. Overall, the housing stock, both single family homes and apartment developments within the City of Atwater, are in relatively good condition. Sixty-two percent of all housing is considered standard (i.e., in need of no repairs) and only one-half of one percent was judged to be dilapidated at the time of the survey. The remaining 37+ percent constitutes the substandard housing which is capable of being rehabilitated. The Self Help Enterprises housing survey of September 1991 indicates that approximately 37 percent, 2,475 units, of the total 6,690 units surveyed was considered substandard and capable of being rehabilitated. Approximately 200 units, .3 percent, were considered dilapidated.

Atwater has a substantial amount of housing that was built prior to 1960 (28 percent) with the median year of construction in 1973⁵. As indicated in the housing conditions survey, there appears to be a close correlation between the age of homes and the number of homes requiring rehabilitation or demolition.

TABLE 17							
ATWATER 1991 HOUSING CONDITIONS SURVEY							
Total Units	Number Substandard	Number Sampled	Percent Standard	Percent Minor	Percent Moderate	Percent Substantial	Percent Dilapidated
6,690	2,705	531	62.3	6.9	29.5	1.0	0.3

Source: *Atwater 1991 Housing Conditions Survey*, Self Help Enterprises, April 1991.

Overcrowding

Table 18 shows that 11.4 percent of the total housing units within Atwater were overcrowded in 1990. The Bureau of Census defines overcrowded housing units as those in excess of 1.00 person per room average.

Overcrowding is often reflective of one of three conditions; either a family or household living in too small a dwelling, a family required to house extended family members (i.e. grandparents

or grown children and their families living with parents), or a family renting inadequate living space to non-family members (i.e. families renting to migrant farm workers). Whatever the cause of overcrowding, there appears to be a direct link to housing affordability. Either homeowners/renters with large families are unable to afford larger dwellings, older children wishing to leave home are prohibited from doing so because they cannot qualify for a home loan or are unable to make rental payments, grandparents on fixed incomes are unable to afford suitable housing or have physical handicaps that force them to live with their children, families with low incomes will permit overcrowding to occur in order to derive additional income, or there is an insufficient supply of housing units in the community to accommodate the demand.

The extent of the overcrowding problem in Atwater is shown in the following table. However, the causes cannot be determined without conducting additional special studies.

TABLE 18			
ATWATER OVERCROWDING			
Household Type	Total	Owner	Renter
Total	7,189	3,536	3,653
Overcrowded	817	181	636
Incidence of Overcrowding	11.4%	5.1%	17.4%

Source: U.S. Bureau of Census, 1990.

Overcrowding can be alleviated in a variety of ways. Remodeling and additions to existing owner occupied housing units and the construction of larger apartment units are the most common. However, to accomplish this it is necessary to provide adequate financing and construction opportunities for the homeowner and the apartment developer.

While most homeowners in an overcrowded situation recognize the desirability of providing additional living space within their home, many do not possess adequate construction skills to achieve this without employing an outside contractor. Even then homeowners are restricted by their ability to acquire building permits and financing for the construction. In many cases homeowners pledge the equity in their homes as collateral for such construction. This can have grave repercussions if the homeowner must default on the loan. It is entirely possible that the homeowner may lose their home. Therefore, it is important that financing and self-help assistance opportunities be provided to assist the very low-, low-, and moderately low homeowners.

The construction of apartment units with larger living quarters necessitate the developer demanding a higher rent to offset the additional costs. As noted in Table 15 there are 1,621 households residing in apartments that are spending 25 percent or more of their income on

housing. These households cannot afford to pay more for larger living quarters. Through subsidized housing programs provided by the Housing Authority and assistance to developers it may be possible to increase the number of apartment units with more rooms without further disenfranchising most in need.

SPECIAL NEEDS

The State Housing Law requires that the special needs of certain disadvantaged groups be addressed. The needs of the elderly, handicapped, large families, female heads of household, and farm workers are as follows.

Elderly Persons

The special housing needs of the elderly are an important concern for the City of Atwater since they are likely to be on fixed incomes or have low incomes. Besides this major concern, the elderly have special needs related to housing construction and location. The elderly often require ramps, handrails, lower cupboards and counters, etc., to allow greater access and mobility. They also need special security devices for their homes to allow greater self-protection. The elderly have special needs based on location. They need to have access to public facilities (i.e., medical and shopping) and public transit facilities. In most instances the elderly prefer to stay in their own dwellings rather than relocate to a retirement community, and may need assistance to make home repairs. If they decide to relocate, their new home should allow for small pets and possibly space for a garden. In any event, it is important to maintain their dignity and self-respect. As shown in Table 19, the number of persons 65 years old and older has increased from 4 percent of Atwater's population in 1980 to 7 percent in 1990.

TABLE 19				
ATWATER - AGE BREAKDOWN (1980 - 1990)				
Age	1980	Percent	1990	Percent
0 - 4	1,971	11%	2,593	12%
5 - 14	3,322	19%	4,352	19%
15 - 59	11,009	63%	13,316	60%
60 - 64	438	3%	529	2%
65+	790	4%	1,492	7%
Total	17,530	100%	22,282	100%

Source: U.S. Bureau of Census, 1980, 1990.

Table 20 shows that 934 households in Atwater, or 13 percent of the total households were headed by an individual 65 years of age or older in 1990.

TABLE 20			
ATWATER ELDERLY HOUSEHOLDS			
Household Type	Total	Owner	Renter
Total	7,189	3,536	3,653
Elderly	934	765	169
Percent of Elderly	13.0%	21.6%	4.6%

Source: U.S. Bureau of Census, 1990.

There are no subsidized senior's housing facilities within the City of Atwater. The needs of this group varies depending upon age and health. As discussed above, their needs may include easy access to shopping areas or medical services by walking, using public transportation or private shuttle service. In some cases special assistance such as "Meals on Wheels," or in-home nursing care may be required. Nursing homes are available in Atwater for those elderly who are too frail to live independently. The Atwater-Merced County Housing Authority provides 14 senior citizen units through their Low Rent Program and the Community Action Agency provides a senior citizen nutrition program.

In addition to providing housing opportunities, the need to provide assistance to seniors in the remodeling and rehabilitation of their housing to meet their unique needs is also critical. Currently, there is funding available for this work through monies provided by Proposition 77, the California Housing Rehabilitation Plan. One of the unique components of this plan (CHRP-O) provides for loans to seniors with a 3 percent interest rate that does not need to be repaid until the property is sold or transferred. Utilization of this funding source would provide an opportunity for seniors to rehabilitate their existing homes as well as, remodel their homes to meet their needs.

Handicapped Persons

There are many types of handicaps and definitions are a diverse. Local government utilizes the definition of "handicapped" person as contained in Section 22511.5 of the California Administrative Code for vehicle and building code enforcement. A handicapped person (disabled person) is defined as:

1. Any person who has lost, or has lost the use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, or who has a

- diagnosed disease or disorder which substantially impairs or interferes with mobility, or who is so severely disabled as to be unable to move without the aid of an assistant device.
2. Any person who is blind to such an extent that the person's central visual acuity does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than 20 degrees.
 3. Any person who suffers from lung disease to such an extent that his forced (respiratory) expiratory volume one second when measured by spirometry is less than one liter or his arterial oxygen tension (pO_2) is less than 60 mm/Hg on room air at rest.
 4. Any person who is impaired by cardiovascular disease to the extent that his functional limitations are classified in severity as Class III or Class IV according to standards accepted by the American Heart Association.

Handicapped persons often require specially designed dwellings to permit free access not only within the dwelling, but to and from the site. Special modifications to permit free access are very important. The California Administrative Code Title 24 requirements mandate that public buildings, including motels and hotels, require that structural standards permit wheelchair access. Rampways, larger door widths, restroom modifications, etc., enable free access to the handicapped. These standards are not mandatory in new single family or multi-family residential construction.

Like the elderly, the handicapped also have special needs based on location. Many desire to be located near public facilities, and especially near public transportation facilities that provide service to the handicapped. It should be noted that many government programs which group seniors and handicapped persons together (such as HUD Section 202 housing) are inadequate and often do not serve the needs of the handicapped.

Table 21 indicates the number of persons in 1990 who had handicaps that either restricted them from working or restricted them from using public transportation. It should be noted that the listing of those persons with transportation disabilities includes a large number of persons 65 years of age and older.

As indicated, 7.4 percent of Atwater's households contained members who were unable to work because of a disability, and 9.3 percent who were unable to drive a vehicle due to a disability.

Merced County operates a Home Health Agency that provides nursing care, specialized equipment and assistance to clients in need throughout the county. As a part of their referral service, they keep track of housing units equipped to meet special needs (ie. ramps, lower window sills, counters, storage, etc.) and a list of clients in need of such housing. The agency also provides consulting service to builders and building departments on the technical aspect of specific needs including equipment size, ventilation and other major design components. While

the agency currently serves over 300 clients, it does not keep a list of persons in need. While the City of Merced is the preferred housing location due to increased number of services and available medical care, the agency provides service throughout the county.

TABLE 21				
ATWATER HANDICAPPED HOUSEHOLDS 1990				
City of Atwater	Worker Disability	% of Population	Transportation Disability	% of Population
16 to 64 Years	1,183	5.3	1,591	7.1
65 Years and Over	460	2.1	501	2.2
Total	1,643	7.4	2,092	9.3

Source: U.S. Bureau of Census, 1990.

Large Family Households

Large families are indicative not only of those households that require larger dwellings to meet their housing needs, but also are reflective of a large number that live below the poverty level. Table 22 indicates the numbers and percentages of those households that had five or more members in 1990.

TABLE 22			
ATWATER LARGE FAMILIES			
Household Type	Total	Owner	Renter
Total	7,189	3,536	3,653
Large Families	1,173	467	706
Percent of Large Families	16.3%	13.2%	19.3%

Source: U.S. Bureau of Census, 1990.

Female Heads Of Household

Families with female heads of household experience a high incidence of poverty. Table 23 lists the numbers and percentages of those female-headed households where at least one child is present.

A high poverty level often results in poorly maintained dwellings since income is more apt to be spent on more immediate needs such as food, clothing, transportation, and medical care. Traditionally, housing maintenance has been the responsibility of male heads of household. Female heads of household are sometimes ill-prepared to take on this responsibility without proper training or knowledge and may need assistance. Since their time may be limited to taking care of basic households chores, earning income, and caring for their children, they may have little time to spend on maintaining their dwelling.

TABLE 23			
FEMALE HEAD OF HOUSEHOLDS 1990			
	Total Households	Female Headed Households	% of Total Households
City of Atwater	7,189	1,270	17.7

Source: U.S. Bureau of Census, 1990.

The number of female headed households within the City of Atwater (per the 1990 Census) is 1,270 or 17.7 percent of all households. Of this number 58 percent of the female headed households are at, or below, the poverty level. A major problem facing single parent households is the inability to provide for a dwelling and childcare during the workday. As a result, many of the female headed households are unable to break out of the poverty level through full-time employment.

At the present time there are a variety of programs available within the City of Atwater to meet a portion of this need. Among the programs available is the Headstart program which is operated by the Community Action Agency, a County non-profit agency. This program provides a nurturing environment that provides a good training ground for children of very low- and low income families. In addition to the educational program a nutritional program is provided as well.

The City does not have an after school program for children, but private day care facilities provide child care after school. During the summer, the Atwater Parks and Recreation Department offers a seven week summer drop-in program for children from 10:00 am to 3:00 pm which starts in the middle of June and ends in July⁶.

Unfortunately, there is no funding source to establish a program providing a "latch key" type service within the City. The availability of such a program would greatly facilitate meeting the childcare needs of the female headed household group and expedite their return to the work force.

Farm Workers

Merced County includes both permanently and seasonally employed agricultural workers. The State of California defines seasonal employees as those who are employed less than 150 consecutive days by the same employer. Seasonally employed workers are difficult to assess due to the transient nature of their work. These workers may be migratory or they may be persons or family members who are temporarily employed but permanently located in Merced County. The Employment Development Department reported that in 1991, a monthly average of 2,305 seasonal employees were from other states while an average of 1,162 per month had migrated from locations within the State of California. The State defines a local worker as a seasonal laborer who resides close enough to the job site to return home each night. In 1991, 41 percent of the seasonal laborers were interstate, 39 percent were local workers and the remaining 20 percent were intrastate.

It is important to remember that these seasonal numbers are an average of monthly figures. On the average, 3,467 non-local employees work on farms in Merced County. By definition, these workers are too far from their permanent residences to commute. Table 24 illustrates that the number exceeds 5,000 persons during some months.

There are five State Migrant Centers in the County managed by the Merced County Housing Authority which provides 290 housing units from May to November. The centers are located in Merced, Los Banos, Cortez, Atwater/Livingston, and Planada. In addition, there are 44 private farmworker camps in the County that are permitted to operate by the County⁷.

Housing shortages exist during peak seasonal labor periods when a large influx of migrant workers occurs in Merced County. During these periods, every form of temporary, substandard, and standard shelter is occupied. At the State Migrant Centers, 92 farmworker families were turned away on opening day last year, representing over 25 percent of those families seeking migrant housing at the centers⁸.

TABLE 24				
MERCED COUNTY MONTHLY VARIATIONS IN SEASONAL AGRICULTURAL SECTOR EMPLOYMENT FOR 1991				
Month	Local	Non-Local		Total
		Intrastate	Interstate	
January	1,450	550	650	2,650
February	2,000	1,000	220	3,220
March	2,000	1,000	1,200	4,200
April	2,000	790	1,000	3,790
May	2,800	1,060	2,550	6,410
June	1,215	1,300	5,595	8,110
July	3,000	1,180	4,000	8,180
August	3,000	1,220	4,000	8,220
September	3,000	2,960	5,000	10,960
October	2,000	1,180	2,200	5,380
November	1,600	700	800	3,100
December	2,000	1,000	440	3,440
Total	26,065	13,940	27,655	67,660
Average	2,172	1,162	2,305	5,638

Source: State Employment Development Department, 1991.

According to Nadine Dhanju, Agri-Business Representative, State Employment Development Department, approximately 5 percent of the non-local seasonal farm workers settle in the Merced County area each year.

Homeless

The City of Atwater does not provide shelters for the homeless, but many local churches provide clothes and food assistance. The Community Action Agency (CAA) is the agency responsible for overseeing the needs of homeless people in Merced County. According to Harry Dull, Executive Director of the CAA, the Winton-Atwater CAA provides vouchers for motels for up to 14 days to those homeless people who qualify for assistance.

A shelter for women and children is located in Merced on 20th Street which is operated by CAA. This facility has capacity for 16 people and is open all year. During the winter months, the National Guard Armory on 8th Street in Merced is used as a seasonal shelter for women and men. This facility is open generally from November through March, depending upon the weather, between the hours of 7:00 pm to 7:00 am. In addition to overnight accommodations, the shelter provides showers and dinner. If the temporary shelter conflicts with National Guard activities, then the Stephen Leonard Hall on T Street is used as a backup shelter. The Armory averages about 24 persons per night and has had a peak of 44 persons per night seeking shelter.

The CAA hopes to open a new shelter in less than a year in the City of Merced. This shelter will be located on 18th Street in a seven bedroom home with accommodations for between 18 to 20 homeless persons.

For those homeless with special needs, the Merced County Mental Health Department provides housing and other support services to the mentally ill and people recovering from drug and/or alcohol addiction. The Mental Health Department pays the rent for the mentally ill in two homes with a total of 11 beds. They also pay rent for temporary motel stays if the mentally ill person is homeless⁹.

PROJECTED HOUSING NEEDS

Information presented in Chapters II and III documented the recent growth which has occurred in the population and housing stock of Atwater. Between 1980 and 1990, the population has increased by 27 percent, while the total number of housing units has grown by nearly 16 percent. Long-range projections indicate that the total population of Atwater will expand from 22,282 in 1990 to 31,891 in the year 2000¹⁰. However, with the closure of Castle Air Force Base in 1995 and the conversion of the base to a civilian use, population estimates will need to be revised.

Market Demand For Housing

Housing element law requires cities and counties to plan for, and accommodate their share, of regional housing needs for all income levels. Most of the housing element requirements, however, focus on meeting the needs of low- and moderate- and middle-income households. The Legislature has declared that the lack of affordable housing is among the State's most critical problems. As a consequence, local governments are required to place special emphasis in their housing policies on meeting low and moderate income housing needs.

It is imperative that a clear understanding is established regarding the definition of each of these segments of the population. Based on data in the 1990 Census for median household income in Merced County (1989), very low income group represents those households with a maximum annual income of less than \$12,774, low income with a maximum annual income of less than

\$20,438 and moderate income with a maximum income of \$30,658. The following table presents the estimated household payments required for housing at various interest rates.

TABLE 25					
THE EFFECT OF CHANGES IN THE INTEREST RATE ON THE MONTHLY COST OF A HOME LOAN*					
Loan Amount	8%	9%	10%	11%	12%
\$ 60,000	\$ 440	\$ 483	\$ 527	\$ 571	\$ 617
80,000	587	644	702	762	803
100,000	734	804	878	952	1,028
120,000	880	961	1,053	1,143	1,234
150,000	1,100	1,207	1,316	1,428	1,543
200,000	1,467	1,609	1,755	1,905	2,057

* Assumes 30-year, Fixed Rate Mortgage.

It is assumed that while the fair market forces are capable of meeting the needs of those households with above moderate incomes it cannot, or will not, meet the needs of those households that fall below that income level. With this in mind, local cities and counties then have the responsibility to facilitate the construction of affordable housing.

TABLE 26		
ATWATER HOUSING NEEDS 1990-1997		
Housing Type	Percent	Number
Basic Construction Need	100.0	1,231
Above Moderate Income	37.5	997
Moderate Income	10.4	280
Other Low Income	5.8	153
Very Low Income	46.3	1,231

Source: Based on MCAG projections - *Regional Housing Needs Plan, April 1991*

Atwater's housing needs is based on information provided in the Regional Housing Needs Plan prepared by MCAG which was based on the 1980 U.S. Census. The Regional Housing Needs Plan may not accurately depict Atwater's housing needs over the next five years and will need to be revised to reflect the 1990 U.S. Census and changing economic conditions in Atwater as a result of the closure of Castle Air Force Base in 1995. The disposition of the 935 Castle Air Force Base Housing units is currently unclear. Several issues concerning their re-use will be determined over the next three years. The Base is scheduled for closure in 1995, and a base re-use plan is in the preliminary stages. The extent of groundwater contamination is unknown at this time and may influence the re-use of these units. This element should be revised to reflect the adopted re-use plan.

Since the 1986 Housing Element the City of Atwater has added a significant number of new housing units to its existing stock as shown in Table 27. Anticipated projects for 1992 include Carriage Square (175 single family homes), as well as the Fairway Estates residential subdivision which were part of the Price Land approvals. However, as the table above indicates there will be substantial pressure for the City to better meet the needs of its very low- low-, and moderate income households during the life of the current plan.

TABLE 27						
ATWATER RESIDENTIAL BUILDING PERMITS (1987-1991)						
	Total	1987	1988	1989	1990	1991
Single Family Dwellings	429	96	83	117	122	11
Multifamily Dwellings (units)	21	4	7 (24)	3	4 (13)	3 (13)
Total	450	100	90	120	126	14

Source: City of Atwater Planning Department 1991 Annual Report.

In order to meet housing need requirements the City will need to actively pursue the development of subsidized single family and multiple family development. Increased multiple family development will provide the most expeditious way for the City to meet its housing requirements. Moreover, multiple family development is typically more accessible (financially) than single family residential opportunities.

VI RESIDENTIAL LAND RESOURCES

In order to properly plan for future housing needs, undeveloped lands available for housing within existing urban boundaries and within projected growth areas must be inventoried. County policies encourage development to take place within incorporated cities.

AVAILABLE LAND INVENTORY

Table 28 itemizes properties reserved for City growth. These properties include vacant lands presently within the City of Atwater Specific Urban Development Plan area that are adjacent to or within reasonable distance from public sewer, water, and street systems, and unincorporated lands on the City fringe. These areas would be redesignated and zoned to an urban classification upon annexation to Atwater. It is important to note that present City/County Policy encourages urban development to take place within cities where urban facilities and services are available. The County requires that all development requests on the City's fringe be referred to the City for annexation.

Table 28 indicates the projected holding capacity of Atwater based upon vacant, redevelopable, and fringe area lands planned for development. The projected capacities have been calculated based upon Atwater's current household size. This information is based on data available as of June 1, 1992. Keeping detailed accounting of land available for development is a major policy of the housing element.

Development of vacant by-passed lands within the City's jurisdiction is encouraged in order to protect agricultural lands on the fringe and provide greater utilization of existing infrastructure. In order to encourage development of by-passed remnant parcels, the City will consider amending its policies to permit higher densities given certain locational criteria and where development will not have significant adverse impacts upon adjacent properties. Such criteria may include properties that are contiguous to higher density or other intensive non-residential development, or properties which have a size and shape that may make it difficult to be developed in a manner similar to other surrounding properties (see Chapter VIII - Five-Year Action Plan).

City of Atwater – Vacant Land Table

Land Use Categories	Developed	Vacant	Percent	Unit Range/Acre			Calculated Units			Population Projection	
				Low	Typical	High	Low	Typical	High	Persons/Unit	Typical
Agricultural Residential		39.44		0.00	1.00	1.00	0.00	39.44	39.44	3.00	118
Estate Residential		8.83		1.00	2.00	2.00	8.83	17.66	17.66	3.00	53
Low Density Residential		737.36		0.00	5.00	9.00	0.00	3,686.80	6,636.24	3.00	11,060
Medium Density Residential		0.00		6.00	10.00	12.00	0.00	0.00	0.00	2.50	0
Medium-High Density Residential		12.14		10.00	15.00	20.00	121.40	182.10	242.80	2.50	455
High Density Residential		0.00		15.00	20.00	30.00	0.00	0.00	0.00	2.00	0
Mobile Home Park Residential		46.11		10.00	12.00	20.00	461.10	553.32	922.20	2.00	1,107
Residential Transition		6.67		10.00	15.00	20.00	66.70	100.05	133.40	2.00	200
Planned Developments		472.37		6.00	5.00	12.00	2,834.22	2,361.85	5,668.44	3.00	7,086
<i>Subtotal Residential</i>		1,322.92					3,492.25	6,941.22	13,660.18		20,079
General Commercial		79.41									
Neighborhood Commercial		5.10									
Throughfare Commercial		10.32									
Planned Developments		52.79									
<i>Subtotal Commercial</i>		147.62									
Light Industrial		281.39									
Industrial		4.51									
<i>Subtotal Industrial</i>		285.90									
GRAND TOTAL VACANT LAND		1,756.44									

1. The current General Plan is under revision with a scheduled adoption in October/November 1992. As such, the density/intensity and labels of various land uses may change.

2. Only land within the City Limits of the City, as of January 1, 1992, was considered for this table. Since calculation of the table, several projects have been approved which may affect the availability of vacant land.

3. Total land area of Atwater is 4,634 acres with a population of 23,560 as of January 1, 1992, as calculated by DOF.

ESTIMATED DWELLING CAPACITY BY LAND USE DESIGNATION/ZONING

State law requires that zoning be consistent with adopted General Plans (except Charter cities). Atwater's undeveloped and redevelopable lands have been zoned in accordance with the present land use plan and development potential may be determined based upon the maximum allowable density of each zoning district. It is more difficult to specify the development potential of fringe area land where County agricultural zoning is in place. However, for planning purposes, future development may be estimated for the residential reserve areas based on average density. Low, medium, and high density residential reserve designations will ultimately translate into average densities of 6, 12, and 25+ dwelling units per acre respectively.

Table 29 indicates the development potential for each dwelling type based upon existing zoning or anticipated future zoning. It should be noted that although condominium units are considered a basic housing style, a specific zoning district has not been established for their use. They are permitted, however, within areas zoned for single-family or multiple-family residential use subject to a special use permit. This arrangement has allowed developers flexibility in siting such units, while permitting adequate protection to established neighborhoods through a formal public review process. The City will investigate the possibility of permitting an overlay zone district for condominium use and applying such district to properties ideally suited for such use.

Manufactured housing is also considered an important housing alternative, especially as related to serving the needs of lower-income households. Senate Bill 1960 has required that local governments consider their use on single-family residential zoned lots.

Table 29 indicates the zoning definitions of Atwater's land reserves based on projected population. As indicated, the residential land reserves are adequate to meet anticipated growth. Also, the amount of land designated for medium and high density residential use is anticipated to provide for the estimated 1,144 units of new housing determined necessary by the Merced County Association of Governments "Regional Housing Needs Plan".

TABLE 29		
ATWATER ZONING DEFINITIONS		
Zoning Categories	Minimum Lot Size	Units Per Acre
Agricultural:		
A-P, Agricultural Preserve	10 AC	1 unit/10 acres
A-R, Agricultural Residential	2 AC	1 unit/2 acres
R-R, Rural Residential	1 AC	1 unit/acre
Low Density Single Family Residential:		
R-E, Residential Estate	16,000 SF	2 units/acre
R-1-10, Single Family Residential	10,000 SF	3-4 units/acre
R-1-8, Single Family Residential	8,000 SF	4-5 units/acre
R-1-6 (R-1), Single Family Residential	6,000 SF	5-7 units/acre
Medium Density Single Family Residential:		
R-1-5, Single Family Residential	5,000 SF	6-8 units/acre
R-1-4, Single Family Residential	4,000 SF	8-10 units/acre
R-1-3, SFR (Patio Homes)	3,000 SF	10-14 units/acre
R-1-M, SFR (Mobilehome)	5,000 SF	6-8 units/acre
Medium Density Two Family Residential:		
R-2, Two Family Residential	6,000 SF	10-14 units/acre
Mobile Home Park:		
R-M, Mobile Home Park	5 AC	7-10 units/acre
Medium Density Multifamily Residential:		
R-3-2.5, Multifamily Residential	10,000 SF	12-17 units/acre
R-3-2, Multifamily Residential	10,000 SF	16-21 units/acre
High Density Multifamily Residential:		
R-3-1.5, Multifamily Residential	10,000 SF	18-29 units/acre
R-3-1, Multifamily Residential	10,000 SF	25-43 units/acre

Source: Atwater General Plan, 1981 and Atwater Zoning Ordinance and Map.

AVAILABILITY OF PUBLIC FACILITIES

City policies require that community sewer, water, and adequate streets be provided to all new development. According to the Draft Environmental Impact Report for the (unadopted) Atwater General Plan (March 1992), the Atwater Wastewater Treatment Plant has an expanded capacity of 6.0 MGD as of July 1991 which is expected to be adequate to accommodate new development through the year 2005. Atwater's total well water pumping capacity is 10.8 MGD and an average of 6.0 MGD was used in 1990. There are 4.8 MGD available for potential future use assuming wells produce sufficient supplies to match this capacity. Extension of existing sewer, water and street systems can be easily accommodated to serve new development in Atwater.

VII DEVELOPMENT CONSTRAINTS

A number of factors affect the ability of the private sector to respond to the demand for housing and constrain the maintenance, improvement, or development of housing for all economic groups. Constraints, however, can generally be translated into increased costs to provide housing and fall into two basic categories: governmental and non-governmental.

GOVERNMENTAL CONSTRAINTS

Governmental constraints are potential and actual policies, standards, requirements, or actions imposed by the various levels of government on development. Although Federal and State programs and agencies play a role in the imposition of governmental constraints, they are beyond the influence of local government and cannot be effectively addressed in this document. The City of Atwater does not require changes in design or amenities to residential development for reasons of aesthetics. Conditions applied to residential developments focus attention on public health and safety for both the proposed resident, and the current residents of the City of Atwater. Analysis of potential local governmental constraints are as follows.

TABLE 30

RESIDENTIAL DEVELOPMENT REQUIREMENTS

Zone	Minimum Lot Size (sq ft)	Side Yard		Max. Height/ Accessory	Parking	Landscape % of Lot
		Front/Rear	Side/Ext.			
R-E	16,000	20/20	10/20	35/16	2 per unit	30
R-1-10	10,000	20/20	10/20	35/16	2 per unit	30
R-1-8	8,000	20/20	5/15	35/16	2 per unit	30
R-1-6	6,000	20/15	5/15	35/16	2 per unit	30
R-1-5	5,000	10/5	5/10	35/16	2 per unit	25
R-1-4	4,000	10/5	5/10	35/16	2 per unit	25
R-1-3	3,000	10/5	5/10	35/16	2 per unit	25
R-2	6,000	15/20	5/12	35/16	2 per unit	30
R-1-M	5,000	15/15	5/15	35/16	2 per unit	30
R-3-2	10,000	15/20	15/20	35/16	2 per unit	30
R-3-2.5	10,000	15/20	15/20	35/16	2 per unit	30
R-3-1	10,000	15/15	5/15	35/16	2 per unit	30
R-3-1.5	10,000	15/15	5/15	35/16	2 per unit	30
R-M	2,100	20/20 ₁ 5/5 ₂	20/20 ₁ 5/5 ₂	N/A	2 per unit	30
2nd units	640	10/5	5/10	35	2 per unit	20

1. Set backs from all property lines along public streets.

2. Set backs from park access drive and exterior property lines not fronting public streets.

Land use controls are basically minimum standards included within the City's Zoning and Subdivision Ordinances. Zoning is essentially a means of insuring that the land uses of a community are properly situated in relation to one another, providing adequate space for each type of development. Zoning regulations control such features as height and bulk of buildings, lot area, yard setbacks, population density, the building use, etc. If zoning standards are too rigid and do not allow sufficient land use flexibility, then development costs could increase and development interest may decrease.

The Subdivision Ordinance governs the process of converting raw land into building sites. It allows the City to control the internal design of each new subdivision so that its pattern of streets, lots, public utilities, etc. will be safe, pleasant and economical to maintain. Again, overly restrictive standards will result in greater land development costs and/or lack of development interest.

The City of Atwater Zoning Ordinance provides a variety of housing types and development densities as shown in Table 29. The most versatile zoning is provided by the planned development zone which permits greater design and development flexibility in a subdivision or apartment layout while still insuring the protection of the public welfare through conditions of approval tailored to fit each of the specific developments.

Building Codes

Building codes regulate the physical construction of dwellings and include plumbing, electrical, and mechanical divisions. The City of Atwater follows the Uniform Building Code as established by State law and as such has little control over State standards.

Site Improvements

The City of Atwater requires vertical facing curb, gutter and sidewalk on all residential streets. Typical right-of-way for local streets is approximately 60 feet with 40 feet of pavement. The Municipal Code provides for a minimum right-of-way width of 40 feet for a subdivision. The Code also allows for private streets to deviate from the standards shown in the above table, provided that future maintenance of the streets is assured by the developer.

TABLE 31	
STREET RIGHT-OF-WAY DEVELOPMENT REQUIREMENTS	
Street Type	Right of Way
Major Street	100'
Secondary Street	80'
Local Street	60'
Short Minor Street	60'
Cul-de-sac	60'
Alley	20'
Service Road	as needed

Source: §16.12.020 through §16.12.080 of the Atwater Municipal Code

Utility companies that provide service to the City may require between 6 and 10 feet of the area outside of the right-of-way be reserved as a utility easement for the placement of service lines. City wide development standards require the undergrounding of utilities to new residential development. Where possible, and feasible, joint use of trenching is encouraged. The City does not have the authority to require joint use of trenching of independent utility companies.

Redevelopment projects, and building permits proposing changes equal to more than 25 percent of the assessed value of the home, are required to bring the street improvements up to City standard. In the redevelopment areas of the community, funds for rehabilitation of substandard units have included provisions for street improvements.

The City does not believe that the provision of street improvements is a burden to the development of affordable housing. The street sections are designed to accommodate storm water drainage, and facilitate safe automobile, pedestrian and bicycle circulation. Street lights and fire hydrants, required at regular intervals within the City, also address public health and safety.

Permit Processing

The City of Atwater provides the full range of services relating to the development of property within its sphere of influence. Subdivision map processing, parcel maps, special use permits and building plans are all processed by the City.

The City actively encourages all developers to meet and confer with its planning staff prior to the formal submittal of an application as a means to facilitate the timely processing of an application. Such preapplication conferences can resolve any misunderstandings regarding zoning and development standards and processing procedures.

The initiation of a development begins with the filing of an application with the City planning department. This map is reviewed by the staff and the environmental review process is begun. Assuming that there are no outstanding issues, the project is typically granted a negative declaration.

The application is routed for review by the various departments of the City. These include public works, engineering and planning. Typically a 3 week time frame is provided for these comments. The project is then publicly noticed and scheduled for hearing by the planning commission.

From initial application to planning commission hearing a time frame of approximately 45 days is required. Appeals to the City Council are typically scheduled for the next available meeting which may vary from one to two weeks after the planning commission hearing.

Processing of building plans are typically completed within 3 weeks. This assumes that no variance or special use request being processed in conjunction with the permits.

TABLE 32

TYPICAL BUILDING PERMIT FEES - CITY OF ATWATER

<i>Building Permit Fees¹</i>	<i>Single Family</i>	<i>Multiple Family (unit)</i>
Water	\$ 500.00	\$ 500.00
Sewer	\$ 1,500.00	\$ 1,500.00
Parks	\$ 465.00	\$ 558.00
Public Facilities	\$ 937.00	\$ 937.00
School ²	\$ 2,434.00	square foot fee
Building Permit ³	\$ 1,088.00	\$ 1,500.00
Subtotal Permit Fees	\$ 6,924.00	N/A
Land Cost ⁴	\$ 12,000.00	\$ 22,000
Construction Cost ⁵	\$ 55,000.00	similar to single family
Subtotal Construction Cost	\$ 67,000.00	N/A
GRAND TOTAL CONSTRUCTION COSTS ⁶	\$ 73,924.00	N/A
Typical Sales Price ⁷	\$ 95,000.00	N/A

¹ Fees are taken from a typical permit issued for a 1,475 square foot home in a conventional subdivision. Multiple family figures were taken from the most recent four-plex unit built in the City. City fees are established by ordinance and are subject to change.

² School fees are set by the School District and are currently \$1.65 per square foot. While the City collects the fee at time of permit issuance, they are *not* responsible for establishing or justifying the fee amount.

³ This cost is established as a percentage of the construction cost and may vary depending on the complexity of the construction and the number of inspections needed.

⁴ This figure is an average for a conventional single family lot of between 5,000 and 7,000 square feet, with utilities.

⁵ This figure is an average of between \$35 - \$40 square foot construction cost for a typical home in a conventional subdivision and does not reflect financing, carrying costs or other such costs associated with building a home.

On and Off-Site Improvements

The standard improvements required by the City of Atwater for development of property include curb, gutters, sidewalk and street improvements. Extension of necessary utilities are also required.

Within the City of Atwater electrical and gas are all provided by outside agencies. The improvement requirements imposed by those agencies are outside the purview of the City. However, the City does require approval from those agencies prior to the approval of any subdivision map.

Generally, low density single family residential lots require setbacks of 20 feet in the front yard, 5 to 10 feet on the side yard and 20 feet in the rear yard. Medium density two family residential requires front yards of 15 feet, 5 feet on the side yard and 20 feet in the rear yard. High density multifamily residential requires 15 foot front yard setbacks, 5 foot side yard setbacks, and 15 foot rear yard setbacks.

Zoning Code Enforcement

The City of Atwater provides code enforcement on a complaint basis. Due to limitations in staffing the City does not have the staff to patrol and cite individuals for building and zoning code violations.

Unless the City is made aware of a violations within the community there is no proactive enforcement activity. However, when the City is made aware of violations or health and safety concerns relating to a residence an inspection will be made and a violation notice issued.

If a violation notice is issued for a health and safety item the City attempts to put the resident in contact with the appropriate County agency to facilitate the rehabilitation of the property. At the present time the City does not have an ongoing rehabilitation program in effect.

The City currently enforces the 1991 edition of the Uniform Building Code. Minor modifications have been made to individual sections of the code. But, none of the modifications substantially alter the code.

Fees and Other Exactions

The City of Atwater is in the process of updating their development fees. A table of the current and proposed fees is included as an addendum to the Housing Element. While it is not possible for the City to waive the appropriate development fees as a means to expedite the availability of housing to the very low- and low- income groups, it may be possible to offset some of the costs through the use of monies in the Redevelopment Agency's Housing Set Aside fund.

The City typically collects all appropriate fees at the time of permit issuance. This process imposes potential financial impacts upon the developer since the developer's recovery of those costs does not occur until such time that the individual lots are sold. The postponement of these fees until a Certificate of Occupancy is issued could facilitate the development of additional housing.

Removal of Assisted Housing

According to the State Department of Housing and Community Development, and the Merced County Housing Authority, there are no Farmers Home, HUD, or Bond financed units within the City of Atwater.

NON-GOVERNMENTAL CONSTRAINTS

Non-governmental constraints are those which are generated by the private sector and which are beyond the control of local governments. A few of the impacts of non-governmental constraints can be mitigated to a minimal extent by local governmental actions, but usually the effects are very localized and have little influence on the total housing need within the jurisdiction or market area.

Several lending institutions that provide financing for businesses and homes within the Atwater area have active Community Reinvestment Programs. These programs target small businesses, minorities, low and very low income families, and others that have difficulty obtaining financing. In some instances, debt-to-income ratios are adjusted, interest rates lowered, or payments deferred to help lower income families afford housing. While each institution has its own program and set of rules, within Merced County there is a Revolving Loan Program which acts as a clearinghouse for potentially rejected loans. This program has participation by both businessmen and representatives from some of the local banks, and reviews loans that might be rejected to determine eligibility for a Community Reinvestment Program.

The Community Reinvestment Act (CRA) requires that lending institutions keep track of their reinvestment programs and provide copies of the results to the public. All of the lending institutions contacted in Atwater have active reinvestment programs.

Availability and cost of Financing

Due to the significant change in the savings and loan industry the availability of financing to both developers and home builders was limited. However, in 1991 the availability of financing sources for construction of new homes has become more readily available and the interest rates being charged have stabilized.

At the present time conventional financing is available at an 80 percent loan to value ratio at an interest rate of 9.5 percent. This would equate to a monthly payment of approximately \$505 for a home costing \$72,000. Typically, it would take an annual income of \$18,000 to qualify for such a loan.

Interest rates for both construction and take-out financing have more impact on the affordability of housing than any other one factor. The interest rate, coupled with the availability of financing, is responsible to a large extent for the increasing number of households which cannot afford home ownership. A 1980 analysis of the components of monthly housing cost for a typical single-family house costing \$60,000, financed at 12 percent for 30 years, indicated that a \$10,000 reduction in land and development costs results in a 16.5 percent reduction in monthly payment while a 4 percent reduction in take-out financing interest rates results in a 24.5 percent reduction in monthly payment.

To mitigate the impact of current interest rates, local government would have to find a means of subsidizing those rates for the home buyer or developer, or both. This has been accomplished primarily through the sale of mortgage revenue bonds in the past, but the present economic situation coupled with changes in Federal law governing the issuance of such bonds, makes this alternative more and more difficult, particularly for purchase of single family housing.

Price of Land

According to the California Building Industry Association, the cost of land represents an ever-increasing proportion of the total housing development cost, although it has much less impact on the maintenance and improvement of existing stock. In 1990, land cost represented an average of 26 percent of the cost of a new home in California. In the City of Atwater, land costs are generally 25 percent of the cost of a new home, but due to current economic conditions and the unpredictability of the housing market with the scheduled closure of Castle Air Force Base, this percent may fluctuate. According to the 1990 Census for Atwater, the median value of an owner-occupied housing unit was \$89,800.

Mitigation measures dealing with land costs which are open to local governments include the use of Community Development Block Grant funds to write down land costs and utilization of government-owned, surplus land for housing projects. Neither one of these options may be available to small jurisdictions. In both cases, the kind of housing most likely to benefit is assisted, low-income housing funded through a State or Federal program.

Cost of Construction

Rising costs of labor and materials, have contributed to the non-governmental constraints on housing development and improvement. These costs were a substantial part of the increased housing costs during the 1980s. Builders passed those increases along to the home buyer or renter.

In addition, one of the most significant results of Proposition 13, passed by the voters of California in 1978, was the severe limitation imposed on the development of infrastructure. These costs can no longer be passed on to the taxpayer by the local jurisdiction and must be borne by the developer, who then must pass them along by increasing the cost of housing or rents.

Local governments can utilize Community Development Block Grant funds to write down the cost of construction, the preferred method being the financing of infrastructure improvements, (i.e., water and sewer lines, streets, etc.).

MITIGATION OF CONSTRUCTION COST'S CHART

- 1. Land Allow smaller lots
- 2. Improvements Could reduce level of improvements required
- 3. Fees Reduce fees
- 4. Labor Self Help Housing
- 5. Materials Can not mitigate
- 6. Administrative and Profit Reduced if developed by Non-profit Agency

While the implementation of the above measures would provide a way to increase the housing stock within the City of Atwater some measures might not produce the desired results. The reduction in lot size could create unsafe street conditions due to the reduction in play area and set backs. It may be necessary to consider providing additional park space or encouraging developers to utilize the existing Planned Development Ordinance to make up for the loss of recreational area.

Utilization of self help and nonprofit entities can provide a substantial savings in the cost of developing new housing. Through the use of these organizations not only is the actual cost of development reduced but the "pride of ownership" is increased through the "sweat equity" provided by the household. In addition, non-profit housing entities are typically quite adept at identifying and utilizing alternative funding sources. Such alternative funding sources can effectively lower the cost of home ownership even more and result in more households qualifying for housing.

Life Style

Part of the increase in housing costs during the 1970s was due to consumer preference and life style expectations. The size of the typical single family house increased and other services included in the housing package changed, such as number of bedrooms. All of these life style choices have costs associated with them. The trends emerging now, due to governmental and non-governmental constraints and the resulting increase in housing costs, are towards smaller units, smaller lots, and alternatives to the single family detached dwelling.

Although the consumer preference may still tend toward the desire to own a single family home, households are now more willing to accept alternatives to that life style mostly out of necessity. Local government can assist this change by permitting higher densities, and innovative approaches such as zero-lot-line housing and smaller lots.

VIII GOALS, POLICIES AND OBJECTIVES

The housing goals, objectives and policies set forth in this Plan are intended to serve as general policy guidelines for Atwater. Consistent with State and Federal housing objectives, these goals, objectives and policies reflect a commitment to provide a decent home and suitable living environment for every individual and family. In the Housing Element prepared in 1986, objectives included a breakdown of units by year. Due to the unpredictability of the housing market with the closure of Castle Air Force Base in 1995 and the civilian conversion of the base, a breakdown of units by year is not provided.

The overall Goal of the Housing Element is to provide adequate housing for residents of all income levels within the City. The following table shows the City's quantified housing goals for period of 1992 through 1997. The number of units rehabilitated over the planning period is based on previous activity. The City uses redevelopment set-aside funds to provide rehabilitation of very-low and other low income units. Based on activity from the 1986 housing element, the City would probably have the funds to rehabilitate up to 5 units per year from this funding source. One of the goals of the element is to actively pursue additional funding sources to meet the City's very low and other low income housing needs.

TABLE 33		
QUANTIFIED HOUSING GOALS 1992 - 1997		
Income Level	New Construction	Rehabilitation ¹
Above Moderate	997	
Moderate	280	
Other Low	153	10
Very Low	1,231	25
Total	2,661	35

¹ Funding for rehabilitation of units is dependant upon redevelopment set-asides, and the availability of state and federal funding.

FIVE YEAR ACTION PLAN

This chapter sets forth a five-year program of actions necessary to achieve the stated goals. Many of these actions can be accomplished on the local level, whereas others require State and Federal Government action including the funding of various housing programs.

The following sections review the individual actions and programs necessary to achieve the plan goals. Each goal contains a brief overview; an identification of existing and potential action and programs to meet stated goals; a five-year action plan; and identification of responsible agencies and funding sources.

PROVISION OF ADEQUATE SITES FOR HOUSING DEVELOPMENT

The available land inventory shows vacant, underdeveloped and redevelopable lands that could be developed using existing infrastructure. Development on infill lots should be encouraged before expansion of the City limits. These lots, due to existing utility services, would be less expensive to develop and could potentially provide for very low- and low income housing without substantial cost to the City. Urban infill would also help maintain the rural character of Atwater as well as lower overall service and capital improvement costs. No amount of infill however, will enable the City to meet all of its housing needs through 1997.

Action Plan

It should be noted that several of the goals listed below were also goals in the 1986 Housing Element and were considered "un-attained" by this review. The City still feels, however, that many of these goals are valid, and were not attained due to action, or inaction, by other agencies. Some of the goals could not be attained due to a lack of staff by the City, or by

reductions in Federal, State or local revenue sources. In order to clarify Housing Element's approach to Goals, Policies and Objectives, the Action Plan will be completed in two separate sections.

The first will provide those items that the City can feel confident in achieving based on those variables *that the City alone can control*. The second section will include those actions that the city feels *may be attainable, but are dependent upon the cooperation of other agencies*.

Goals Attainable by City Action Alone

Goal I

Provision of adequate sites for residential development and alternate housing choices at affordable costs for all segments of the City.

1. The City of Atwater will prepare a five year land use update as part of its general plan update. As part of that update adequate sites will be identified to provide 200% of the necessary land inventory to meet the needs of the very low- and low- Income group.

Year: 1993

Responsible Agency: City of Atwater, Planning Department

Funding Source: General Fund, Developer Financing (General Plan Update)

2. Examine existing zoning laws at a minimum of once per year or as needed, on a case by case basis, to insure that innovative housing types such as patio homes, garden apartments, and townhouses are considered and can be constructed cost effectively in desirable settings.

Year: 1993

Responsible Agency: City of Atwater, Planning Department

Funding Source: General Fund

3. The City of Atwater will establish a set of reference maps with zoning, infrastructure and other relevant development information to provide for future review and analysis of zoning within the jurisdiction and to assist developers in locating appropriate sites for housing.

Year: 1992

Responsible Agency: City of Atwater Planning Department

Funding Source: General Fund, (Some of the costs of this program will be off-set by map sales.)

4. The City of Atwater will utilize a portion of the monies within the Redevelopment Agency Housing Set Aside fund to provide for the funding of a position to identify and apply for additional Community Development Block Grant funds to either acquire or extend necessary services to in-fill parcels for housing development.

Year: 1993
Responsible Agency: City of Atwater, Redevelopment Agency/Planning Department
Funding Source: Redevelopment Agency Housing Set Aside Fund

5. The City will actively pursue annexation of land after completion of the update to the General Plan. Within the limits allowed as a result of mitigation measures applicable to the plan update, the City will actively seek to annex land for development as the demand occurs.

Year: Ongoing as housing needs occurs, (General Plan Update is scheduled for 1993)
Responsible Agency: City of Atwater, Planning Department
Funding Source: General Fund, (Either the developer or the project proponent will pay the cost of annexation of private lands.)

6. The City will investigate ways to encourage urban infill. In this study current development policies will be analyzed and programs formulated for providing incentives such as permitting higher densities under certain conditions, expediting processing of site plans, etc. the City will maintain the use of "planned development" "planned community" and "urban cluster concepts" to stimulate the formation of integrated well balanced neighborhoods for annexations and infill developments.

Year: 1993 (As part of the General Plan update process.)
Responsible Agency: City of Atwater, Planning Department
Funding Source: General Fund

7. The City of Atwater will prepare an inventory of government owned land within the City and its "Sphere of Influence" and will analyze that land for possible housing sites. If appropriate sites can be identified, the City will approach developers and funding agencies to facilitate development of the sites with assisted housing.

Year: 1993 (As part of the General Plan update process.)
Responsible Agency: City of Atwater, Planning Department
Funding Source: General Fund

Goal II

Increase the opportunity for the provision of very low-, low-, and moderate income housing.

1. The City of Atwater will revise its zoning ordinance to provide for zone districts that will provide housing densities adequate to provide housing opportunities for the very low- and low- income group.

Year: 1993 (As part of the General Plan update process.)
Responsible Agency: City of Atwater, Planning Department
Funding Source: General Fund

2. The City of Atwater will establish a policy regarding the allocation of a percentage of its housing set-aside allocation from the incremental tax increases for property within the Redevelopment Agency to acquire properties for the development by nonprofit developers.

Year: 1993
Responsible Agency: City of Atwater, Redevelopment Agency/Non Profit Developers
Funding Source: Redevelopment Agency Set-asides

3. The City of Atwater will seek additional Article XXXIV approval as need to facilitate the funding of housing for very low and low income families.

Year: Ongoing (The City still has some Article XXXIV authority unused.)
Responsible Agency: City of Atwater
Funding Source: General Fund

4. The City of Atwater will investigate financing a nonprofit organization such as Self Help Enterprises to provide application for and administration of the California Housing Rehabilitation Program-Owner (CHRP-O) Program.

This program provides assistance to homeowners in the form of low income loans and provides deferred payment by senior citizens.

Year: Ongoing
Responsible Agency: City of Atwater Redevelopment Agency
Funding Source: Redevelopment Agency/CDBG

Goal III

Maintain the existing housing stock and encourage the rehabilitation and conservation of older residential units.

1. The City will continue to actively enforce housing and building codes to ensure safe structures and prevent the deterioration of housing stock.

Year: Ongoing
Responsible Agency: City of Atwater Redevelopment Agency/City of Atwater Planning Department
Funding Source: Redevelopment Agency/CDBG/General Fund

2. To the extent possible encourage the rehabilitation of substandard housing units through either Federal or State Grant Funds, low interest loans or income from the Redevelopment Agency.

Year: Ongoing
Responsible Agency: City of Atwater Redevelopment Agency/City of Atwater Planning Department
Funding Source: Redevelopment Agency/CDBG/General Fund/State & Federal Grant Programs

3. Support and encourage by submission of letters, resolutions, and personal testimony the continuation of public, non-profit organization and public utility weatherization programs for existing units.

Year: Ongoing
Responsible Agency: City of Atwater Planning Department
Funding Source: General Fund

4. To reduce the spread of blighted areas, and encourage the improvement of homes developed in blighted areas, the City will prepare and adopt minimum landscape and architectural design standards for all housing projects.

Year: 1993 (As part of General Plan Update)
Responsible Agency: City of Atwater Planning Department
Funding Source: General Fund

Goal IV

To preserve the quality of life for residents of Atwater through maintenance of appropriately served residential areas.

1. The City will provide opportunities for innovative and efficient and effective development of residential units at affordable cost through the rehabilitation and increased concentration of business activity in the Central Business District. Development of these areas will preserve land for higher density residential use within the central core by offering financial incentives of low interest loans or directly providing infrastructure improvements.

Year: Ongoing

Responsible Agency: City of Atwater Planning Department/City of Atwater Redevelopment Agency

Funding Source: General Fund/CDBG/Private Developers

2. Continue programs to construct new parks and maintain existing park and other public facilities which enrich the appearance of residential areas.

Year: Ongoing

Responsible Agency: City of Atwater Planning Department

Funding Source: General Fund

Goal V

To insure that residential development occurs in orderly patterns to minimize possible adverse effects of growth, the City of Atwater shall:

1. The City will evaluate each residential and commercial project application to ensure the compatibility or reasonable mitigation measures and discourage "leap frog" developments which make accessibility to public services difficult and expensive through strict enforcement of environmental, LAFCO, and City subdivision requirements.

Year: Ongoing

Responsible Agency: City of Atwater Planning Department

Funding Source: General Fund

OPPORTUNITIES FOR ENERGY CONSERVATION

During the update of the General Plan, the City will consider measures to lower the energy requirements of single and multiple family dwellings. Among the measures considered will be:

1. Street tree requirements for all new subdivisions along with the requisite irrigation systems to ensure that the trees will be viable.
2. Smaller street sections. Within reasonable safety requirements, it may be possible to reduce the amount of pavement around residential areas. This would reduce the amount of reflected and radiated heat.
3. Solar water heating systems to supplement gas or electric hot water heaters for multiple and group family facilities. Policies would also encourage supplementing single family water heating requirements with solar heaters.
4. Siting of structures and alignment of streets to make best use of prevailing winds and light patterns through the community. At a minimum the City could produce information for builders and home buyers on the advantages of favorable home placement.

Many of these measures, if adopted, will become part of the Land Use Element of the General Plan after the update is completed. If adopted by the Council, these measures can begin to take effect immediately and should be relatively self implementing.

Goal VI

To achieve energy efficiency in housing activities, the City of Atwater shall:

1. Through the City's Site Plan Review Process ensure housing construction that is environmentally sound, cost effective, and promotes energy efficiency, and encourage new developments to incorporate housing design and orientation techniques that reflect energy efficient site planning and use of passive solar access standards.

Year: Ongoing
Responsible Agency: City of Atwater Planning Department
Funding Source: General Fund

2. On an as needed basis, analyze City zoning ordinance to identify and make recommendations for amendments to requirements which inhibit site planning for solar access.

Year: Ongoing
Responsible Agency: City of Atwater Planning Department
Funding Source: General Fund

Goal VII

To ensure citizen participation and program achievement, the City shall:

1. Evaluate the effectiveness and productivity of housing policies and monitor program implementation for achievement of the identified goals. The evaluation will be included in the annual General Plan consistency review, and sent to service providers in the community including the Merced County Community Housing Resources Board, County Social Services. A copy of the report must also be sent to State HCD.

Year: Ongoing
Responsible Agency: City of Atwater Planning Department
Funding Source: General Fund

2. The City will participate in the Merced County Community Housing Resources Board. The Board addresses Equal Opportunity and Fair Housing issues within Merced County and is currently funded by the United State Department of Housing and Community Development. The City will provide literature regarding fair housing practices and make complaint referrals to the Merced County Community Housing Resources Board.

Year: Ongoing
Responsible Agency: City of Atwater Planning Department
Funding Source: General Fund

3. Work with community service providers to address housing policy that would encourage the provision of housing for all income types. These meetings, as well as notices concerning fair housing practices, will be public in nature, with notice given in both english and spanish and posted at City Hall, community center, the library and in the local newspaper.

Year: Ongoing
Responsible Agency: City of Atwater Planning Department
Funding Source: General Fund

Goals Attainable, but Needing Action Beyond Direct City Control

The following goals are seen by the City as being desirable and will, to the extent feasible, will be implemented by the City. Unfortunately, full attainment of these goals will require the cooperation of independent agencies over which the City of Atwater can exercise only lobbying influence. To the extent that the goal(s) require an independent action by the City, that action will be taken.

Goal VIII

To encourage the development of assisted housing and redevelopment of blighted areas.

1. The City of Atwater will apply for Community Development Block Grant funds, as they become available from State and Federal sources, for the purchase of sites for housing to be land banked or used for the development of assisted housing.

Year: 1994
Responsible Agency: City of Atwater, Redevelopment Agency
Funding Source: General Fund/Community Development Block Grant

2. The City will participate in infrastructure development within non-profit agencies to promote assisted housing, and assist in the identification and improvements of sites for assisted housing throughout the City.

Year: Ongoing
Responsible Agency: City of Atwater, Non-profit Developers
Funding Source: Community Development Block Grant, Non-profit Developers, General Fund (Staff costs)

PROVISION FOR VERY LOW-, LOW-, AND MODERATE-INCOME HOUSING

The high correlation between income deficiencies and housing problems indicates the need to develop the means to assist low-and moderate-income households. Although government subsidized housing programs will continue to be instrumental in improving the living conditions of those households, other actions are also essential to deal with these needs.

In addition to the challenge of meeting current housing needs, provision must also be made to satisfy the housing needs of the future population. Production is primarily dependent upon the ability of households to afford to pay monthly for housing. Unless the economic profile of the future population is significantly different from the current regional population, it is reasonable to expect that many of the newly-formed households will have deficient incomes. As in the past, these lower income families will, in many cases, be unable to satisfy their housing needs through the normal housing market, making government assisted housing programs essential and supporting the need for economic development activities which produce new jobs.

In the past 30 years, private industry has been unable to produce housing affordable by the lower-income family. Current trends indicate that other segments of the housing market may present similar problems in the future. Evidence indicates that moderate-income families are finding it increasingly difficult to satisfy their housing needs in today's market. Since 1970, it is estimated that the rates of increase in rental cost and sales prices have been twice as great as the increase in median income. Should the income-to-cost disparities continue to increase in the

years ahead, the ability of the housing industry to produce affordable housing for this large segment of Atwater's population may be seriously diminished.

Although State and local governments, as well as private industry, have important roles in the provision of assisted housing, Federal funding of existing and/or new housing programs is essential to the provision of assisted housing for very low-, low-, and moderate-income households. Without that resource, the ability of local government to address the housing needs of these income groups is very limited. In the past several years the availability of funding through the Federal government has diminished alarmingly and local government is facing a situation in the near future where there may be no resources at all to assist the very low and low-income groups. Only a change in State and national priorities will alleviate this problem.

Local governments will need to address a number of specific concerns which may prove critical to meeting future housing needs, especially if housing costs continue to increase at current rates. As noted previously, an extraordinarily high growth rate has been realized by multiple-family units and mobile homes. Expressed as a proportion of the total housing stock, the importance of this component of the inventory has more than doubled since 1970. Presumably, as housing costs rise, future housing needs will increasingly be translated into a greater demand for these less costly housing types. While existing community plans provide for a full range of housing types and densities, future decisions regarding public improvements, zoning, and development standards will determine the extent to which multiple-family housing and mobile homes will be successfully utilized in meeting anticipated housing needs.

Housing assistance provided by Federal and State programs falls into two categories: assistance to homeowners and assistance to renters. Within each of these categories, programs address either rehabilitation of existing units or construction of new housing units. Some programs assist the individual or family while others assist the owner or developer.

The County Housing Authority administers most programs providing low-rent housing. The Housing Authority operates 19 units under the Section 8 Existing Housing Program in the City of Atwater.

If additional units are granted under Article XXXIV, the Housing Authority functions in the capacity of a developer and manager of low-rent housing facilities. The Authority has the responsibility for planning, financing, constructing, purchasing, leasing, and managing properties and dwelling units encompassed by a variety of low-rent housing programs. By virtue of its ownership or leasehold interest in various properties, the Housing Authority performs all the functions of a private owner, including selecting tenants, collecting rents, maintaining properties, and a myriad of related activities.

Goal IX

To increase the percentage of homeowners in the city and provide adequate information on all possible housing assistance programs is distributed to homeowners, developers and other residents.

1. The City of Atwater will encourage developers to make application for FmHA 502 Interest Subsidy programs and will work with and assist those developers. The City will take actions necessary to expedite processing and approvals for such projects.

The City of Atwater will contact Self Help Enterprises and other nonprofit developers to inform them of Atwater's participation in this program. Moreover, the City will establish a procedure that will provide preapplication review of projects to expedite their timely approval.

This program provides direct loans to individuals of low to moderate income to purchase newly constructed homes. The interest rate varies according to the applicant's adjusted family income and may be from as low as 1 percent to market rate.

The ability to achieve this objective is contingent upon the market conditions during the plan period, interested developers, the availability of county staff and congressional authorization to issue such bonds.

Year:	Ongoing
Responsible Agency:	City of Atwater/Private Developers
Funding Source:	Farmers Home Administration

2. The City of Atwater will establish a policy regarding the allocation of a percentage of its housing set aside allocation from the incremental tax increases for property within the Redevelopment Agency to acquire properties for development by nonprofit developers such as Self Help Enterprises.

Year:	1993
Responsible Agency:	City of Atwater Redevelopment Agency/Non Profit Developer
Funding Source:	Redevelopment Agency

Goal X

To maintain an adequate percentage of affordable rental units within the City to accommodate very low- and low income residents.

1. The City of Atwater will support the implementation of conventional Public Housing Rental Programs and the Section 8 Existing Program which provides rent subsidies directly to participants' landlords, and will support that agency's attempts to secure additional funding for expanded programs.

Year: Ongoing
Responsible Agency: Housing Authorities of the City and County of Merced
Funding Source: Federal Department of Housing and Urban Development

2. The City of Atwater will encourage developers to make application for California Housing Finance Agency (CHFA) AB 333 Subsidized Rental allocations which provide subsidized interest rates and operating subsidies to developers of rental housing projects. Under this program, rents for the units are guaranteed often in conjunction with the Section 8 rental subsidy program.

Year: Ongoing
Responsible Agency: Private Developers
Funding Source: California Housing Finance Agency

3. The City will participate with Merced County in the issuance of multi-family mortgage revenue bonds as developers request such assistance to finance new construction projects for very low-, low-, and moderate income households and will assist by locating appropriate sites and by taking all necessary actions to expedite processing and approvals for such projects.

The ability to achieve this objective is contingent upon the market conditions at the time the issue is structured, the availability of County staff and interested developers.

Year: Ongoing
Responsible Agency: City of Atwater/Merced County Department of Community Development/ Private Developers
Funding Source: Community Development Block Grant/ Private Investors

4. The City of Atwater will seek additional Article XXXIV approval as need to facilitate the funding of housing for very low and low income families.

Year: 1992-3
Responsible Agency: City of Atwater
Funding Source: General Fund

HOUSING REHABILITATION AND CONSERVATION

Many dwellings were built prior to local building codes and planning regulations and may have been constructed without proper safety features or located in areas subject to natural hazards. In other cases, lack of planning permitted development of housing without supportive services and facilities. Consequently, the quality and desirability of many of these dwellings diminished rapidly and today they represent a large portion of Atwater's substandard housing stock.

In addition, housing conservation is necessary to protect the stock of affordable housing units for very low-, low-, and moderate-income households, from being converted to other uses not benefiting lower income groups (i.e. commercial and industrial uses or housing for higher income groups).

Goal XI

To conserve the existing housing stock, particularly housing in older areas of the city nearer the Central Business District.

1. The City of Atwater will support Housing Authority administration of the Section 8 Moderate Rehabilitation Program. It provides for improvements to existing housing units as well as rental assistance payments on behalf of lower-income families.

The Housing Authority will solicit proposals from owners who have units that do not meet minimum quality housing standards and are interested in putting their units in the program. If rehabilitation is deemed feasible, the property owner will be responsible for making all required improvements, and when completed, will execute a 15-year contract for rent subsidies for qualified renters. The rents for these units will be higher than for the regular Section 8 program in order to provide additional income for repaying the cost of rehabilitation.

Year: Ongoing
Responsible Agency: City of Atwater and the Merced County and Atwater Housing Authority
Funding Source: Federal Department of Housing and Urban Development

2. The City of Atwater will participate with Merced County in securing and implementing the HUD Rental Rehabilitation program which provides subsidy funds up to \$5,000 per unit, matched by \$5,000 or more by the owner, to rehabilitate existing rental housing.

The ability to achieve this objective is dependent upon the availability of County staff and interested property owners.

Year: Ongoing
Responsible Agency: Merced County Department of Community Development

Funding Source: Federal Department of Housing and Urban Development

3. The City of Atwater will encourage homeowners to make application for FmHA 504 Single Family Rehabilitation allocations which provides home repair loans up to \$7,500 at 1 percent interest to very low-income families for the purpose of making repairs needed for the health and safety of the family and/or the community. (Although the population of Atwater has exceeded the 20,000 population cut off point for FmHA projects, the FmHA considers the City exempt from the cut off, and still eligible.)

The ability to achieve this goal is dependent upon availability of funds from FmHA and interested property owners.

Year: Ongoing
Responsible Agency: Farmers Home Administration
Funding Source: Farmers Home Administration

4. Within the City of Atwater, the State Department of Housing and Community Development, Codes and Standards Division will inspect mobile home parks on an annual basis for code compliance in accordance with Title 25, Chapter 5, of the California Administrative Code. This Division also inspects on a complaint basis.

Year: Each year
Responsible Agency: Merced County Health Department, Environmental Health System
Funding Source: General Fund (Developer funding for new mobile home parks.)

5. The City of Atwater will investigate financing of a nonprofit organization to provide application for and administration of the California Housing Rehabilitation Program-Rental (CHRP-R) Program.

This program provides low interest rate loans to landlords to facilitate the rehabilitation and remodeling of existing rental units.

Year: Ongoing
Responsible Agency: City of Atwater Redevelopment Agency
Funding Source: Redevelopment Agency Incremental Tax Base/CDBG

HOUSING TO ACCOMMODATE SPECIAL NEEDS

Individuals and households with "special needs" are those whose housing requirements go beyond just a safe and sanitary dwelling at an affordable price and include either unique physical or sociological requirements, or both. Included in this category are senior citizens and handicapped persons, who have particular physical needs as well as sociological needs unique to their group; large families, who need four, five, or more bedrooms in a dwelling; farm workers, who move from one location to another for all or part of the year; and families with

female heads of household, who suffer a unique form of discrimination as well as having needs related to location and size of unit.

Large households living in overcrowded conditions may be considered a group with special needs, although there is limited information regarding the extent of this problem. Further, since this condition is often a matter of personal choice based on culture or religious belief, the family may not consider its overcrowding to be an issue of community concern. In some instances, intervention or the suggestion of intervention by the community in this aspect of family life is unwelcome.

Not all persons and households with "special needs" are in the lower-income groups, but it can be safely assumed that those with sufficient income available can satisfy their needs. Special needs groups with low or limited incomes are those targeted by the action plan. All programs listed in the prior section will also serve to assist those individuals and households with special needs.

Many of the following programs rely on Article XXXIV authorization approved by referendum in Atwater. The current City Council believes that this approval would be beneficial to the community but cannot, for obvious reasons, guarantee that the approval will be forthcoming.

Goal XII

To encourage redevelopment and new development projects to meet the special needs of handicapped and elderly residents of the City.

1. The City of Atwater will encourage non-profit sponsors to make application for HUD Section 202 allocations for construction of rental housing for seniors and handicapped and will take all actions necessary to expedite processing and approval of such projects.

In addition, should the funding become available, the City will facilitate the project by assisting in locating appropriate sites and will consider the use of the Community Development Block Grant allocation and/or other available resources to either write down the cost of the site or fund infrastructure improvements.

Year:	1993
Responsible Agency:	Non-profit Sponsor
Funding Source:	Federal Department of Housing and Urban Development.

2. The City in cooperation with Merced County will apply to the State Department of Housing and Community Development for a HCD Farm Worker Housing Grant. To be funded with CDBG and with a State HCD Farm Worker Housing Grant, the homes will be sold at a subsidized cost to eligible farm workers.

The ability to achieve this goal is dependent upon the availability of County staff and funds from HCD.

Year: Ongoing
Responsible Agency: City of Atwater, Merced County Department of Community Development
Funding Source: Community Development Block Grant, State Farm Worker Housing Grant

7. The City of Atwater will encourage non-profit sponsors and/or the Housing Authority to make application for FmHA 514/516 allocations for rentals which provide a combination of grants and loans to finance the construction of Migrant Farm Worker Rental Housing. Public and private non-profit corporations, including State agencies and political subdivisions, are eligible for both grants and loans.

The ability to achieve this goal is dependent upon the availability of County staff, interested profit and non-profit corporations and the availability of funds from FmHa.

Year: 1994
Responsible Agency: Housing Authorities of the City and County of Merced, Merced County Department of Community Development, or a non-profit sponsor
Funding Source: Farmers Home Administration

8. The City will support the County in undertaking a program of data analysis to define the need for farm worker housing. Existing Census data, EDD data, and Self Help Enterprises and County Planning Department studies will be used to determine amount, location, and type of housing need in all parts of the County.

The ability to achieve this goal is dependent upon the availability of County staff

Year: 1993
Responsible Agency: Merced County Planning Department
Funding Source: Community Development Block Grant

REMOVAL OF CONSTRAINTS

As stated, many factors affect the ultimate cost of housing to the consumer, be it rental or housing for home ownership. Those factors which either prevent construction or raise the cost of construction and/or improvement of housing can be considered constraints. Some of these constraints are the result of governmental actions, policies, regulations, and standards, and some are non-governmental market factors. However, governmental and non-governmental constraints are interrelated and each affect the other, so action programs which affect one group can affect the other. To address governmental constraints, the City of Atwater needs to analyze carefully

fees, land use controls, building codes, site improvement standards, etc. to determine if these are constraints and then, whether or not those constraints are necessary for other reasons, such as health and safety, environmental considerations, etc., and finally how the constraints could be removed.

Non-governmental constraints are beyond the control of local government and cannot be generally impacted by any action of the City or County. However, certain actions of local government can mitigate some of the adverse impacts of market constraints on a very localized basis.

Goal XIII

To ensure that the review and approval process for development adequately furthers the City's goals and does not create an unreasonable obstacle to development.

1. The City of Atwater will review its annually review its zoning ordinance to identify potential obstacles to the timely development of housing.

Year: Ongoing
Responsible Agency: City of Atwater
Funding Source: General Fund

2. The City of Atwater will review its development standards in order to identify those areas that could result in impediments to the development of new housing opportunities within the City of Atwater. The City will also evaluate developer driven amendments to the City Standards provided that sufficient documentation and assurance of effectiveness is provided. The safety and cost effectiveness of maintenance of improvements on a City-wide level will be the governing factor in approving changes to the development standards.

Year: Ongoing
Responsible Agency: City of Atwater
Funding Source: General Fund (Developer if change in standards is requested.)

3. The Planning Commission will conduct an ongoing review of city policies and actions relating to housing development. This task force will provide annual updates to the City Council regarding its findings.

Year: 1993
Responsible Agency: City of Atwater
Funding Source: General Fund

Goal XIV

To encourage the removal of non-governmental constraints to development.

1. The City of Atwater will participate with Merced County in the issuance of single-family and multiple-family mortgage revenue bonds for the purpose of reducing take-out interest rates to home buyers and developers of rental housing.

The ability to achieve this goal is dependent upon the availability of County staff and market conditions.

Year: 1993
Responsible Agency: City of Atwater/Merced Community Development Department
Funding Source: General Fund

2. The City of Atwater will participate with Merced County in identifying adequate reserves of developable land to address the problem of land costs.

Year: Ongoing
Responsible Agency: Merced County Department of Community Development
Funding Source: Community Development Block Grant, other funding sources from State and Federal government

3. The City of Atwater will implement a program to identify barriers to infill development. The concept will be to facilitate development of in-fill areas and underdeveloped parcels prior to annexation and urbanization of agricultural land.

Year: 1993 (Ongoing)
Responsible Agency: City of Atwater Planning Department
Funding Source: General Fund

PROMOTION OF EQUAL HOUSING OPPORTUNITIES

Although essential to meeting housing needs, the provision of a sufficient number of dwelling units will not in itself ensure that the entire population will be adequately housed. A large segment of the population is living on very low incomes. As housing costs have risen in recent years, many of these households have been forced to apply an excessive amount of their budget to housing costs. In order to remain in the house of their choice, some residents, such as the elderly, pay such a large portion of their income on housing that they are unable to purchase other basic living necessities. In the case of the large family, lack of sufficient income usually restricts housing choice to the least expensive dwelling which is usually inadequate for their needs and frequently deficient in quality and size.

For many other households who have sufficient income to purchase quality housing, choice of housing location is still frequently denied because appropriate housing at acceptable cost is not adequately dispersed throughout the County or within individual communities.

Although inadequate distribution of affordable housing within a community or region is an important constraint to choice, discrimination due to race, religion, or ethnic background is an equally significant factor affecting equal housing opportunity. Actions which result in illegal discrimination in the renting or sale of housing violate State and Federal laws and should be reported to the proper authorities for investigation. The agency responsible for investigation of housing discrimination complaints is the State Department of Fair Employment and Housing. The County Department of Weights, Measures, and Consumer Protection will handle complaints not accepted by that agency.

Goal XV

To ensure that all residents of Atwater have access to housing regardless of race, creed, color or religion.

1. The City will support the establishment of an inter-agency task force to determine the effectiveness of existing programs in complying with Federal equal opportunity objectives and will request that the Task Force include City representation.

Year: Ongoing
Responsible Agency: City of Atwater
Funding Source: Community Development Block Grant

2. The City of Atwater will direct residents with discrimination complaints to the State Department of Fair Employment and Housing or the County Department of Weights, Measures, and Consumer protection.

Year: Ongoing
Responsible Agency: State Department of Fair Employment and Housing; Merced County Department of Weights, Measures, and Consumer Protection Affairs
Funding Source: State Funding; Community Development Block Grant (for housing discrimination only).

IX INTERGOVERNMENTAL COORDINATION AND PUBLIC PARTICIPATION

The City will invite public participation through its review and public hearing processes. The City has identified numerous community groups, both public and private including all economic segments of the community, that have a great interest in regional housing issues. The City will invite these groups to review and comment upon the plan document prior to public hearings.

The County and City Planning Departments and Administrative Offices have worked jointly with the Merced County Association of Governments in developing the *Regional Housing Needs Plan*, prepared in April 1991 that determines the "same share" housing requirements of each jurisdiction for providing housing for various income levels.

The City has worked closely with the Merced County Housing Authority in reviewing current housing programs that provide low-income housing and in February 1992, the City established the Atwater Housing Authority. The City has also worked with the local Building Industry Association in seeking ways of providing energy conservation and necessary changes to reducing the cost of affordable housing.

Specifically, the City of Atwater has undertaken to involve broad groups of the community within the plan preparation. A public hearing/workshop was held within the City to solicit input from the citizens.

In addition, the following public agencies or private organizations were contacted for their input, comments and/or review of the document.

Atwater-Merced County Housing Authority
Atwater Chamber of Commerce
Atwater Parks and Recreation Department
Atwater Redevelopment Agency
California Employment Development
Department
California Department of Finance
California Census Data Center
Castle Joint Powers Authority
Community Action Agency (Merced County
and Atwater-Winton)
Churches throughout the Atwater area
including:

Victory Baptist Church
First Baptist Church
St. Anthony's Catholic Church
Holy Cross Lutheran Church
St. Nicholas Episcopal Church

Merced Parks and Recreation Department
Merced County Association of Realtors
Merced County Health Department
Merced County Association of Governments
Merced County Human Services Agency
Merced County Office of Economic
Development
Merced County Planning Department
Real estate agencies and developers active in
the Cities of Atwater and Merced, and the
unincorporated area of Winton
U.S. National Guard

APPENDIX A

HCD LETTER

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

1800 THIRD STREET, Room 430
P.O. BOX 952053
SACRAMENTO, CA 94252-2053
(916) 323-3176 FAX (916) 323-6625



August 21, 1992

Mr. Tom Smith
City Manager
City of Atwater
750 Bellevue Road
Atwater, California 95301

Dear Mr. Smith:

Re: Review of Atwater's Draft Housing Element Update

Thank you for submitting Atwater's draft housing element update, received for our review on July 8, 1992 and the facsimile transmission, received August 18, 1992. As you know, we are required to review draft housing elements and report our findings to the locality (Government Code Section 65585(b)).

Our review has been facilitated by a telephone conversation on August 19, 1992 with the City's consultant, Mark Teague of Valley Planning Consultants. This letter and Appendix summarize the conclusions of that discussion.

Atwater's housing element is a well-written planning document that includes much useful information about the City. Among other things, the element includes an analysis of population and employment trends and the City's housing goals, policies, and implementation programs.

The element, however, needs revisions to bring it into compliance with state housing element law (Article 10.6 of the Government Code). In particular, the element should demonstrate that the City has adequate and suitable sites to accommodate the City's share of the regional housing need. Recommended changes are summarized in the Appendix.

For your information Chapter 889, Statutes of 1991, amended state housing element law, effective January 1, 1992. A current copy of the amended statute is enclosed. The new or revised language is underlined for your convenience. The appropriate revisions, described in the appendix, will have to be addressed during the revision of your housing element.

Mr. Tom Smith
Page 2

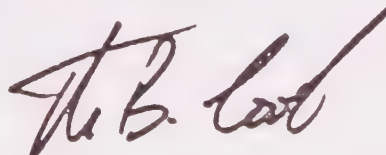
In order to assist local governments in implementing their housing programs, this Department will be allocating funds from the HOME Investment Partnership Program (HOME), one of the new federal housing programs created by the 1990 National Affordable Housing Act. Local governments can use HOME funds to expand the resources available for housing rehabilitation, acquisition of land and structures, tenant based rental assistance and under certain circumstances, new construction. As you are aware, Atwater is an eligible applicant for HOME funds. The first Notice of Funding Availability (NOFA) is scheduled to go out to eligible applicants within the next few weeks.

This Department's draft HOME program regulations include housing element status as a rating factor in the competitive application process for HOME funds. Jurisdictions with an adopted housing element that is in compliance with state housing element law as determined by this Department will receive significant extra points if their application has met the threshold criteria. Points will be awarded to jurisdictions with an adopted housing element in compliance on or before the date HOME applications are due to the state. For more information on the HOME program you may wish to contact Chris Webb-Curtis of this Department at (916) 327-3586.

We hope our comments are helpful to the City. We appreciate Mr. Teague's cooperation during our review. If you have any questions or would like assistance in the revision of your housing element, please contact Camilla Cleary of our staff at (916) 323-3185.

In accordance with their requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the individuals listed below.

Sincerely,

A handwritten signature in dark ink, appearing to read "T. B. Cook", with a large, sweeping flourish at the end.

Thomas B. Cook
Deputy Director

Enclosure

Mr. Tom Smith

Page 3

cc: Matthew Fouratt, Community Development Director, Atwater
/ Mark Teague, Valley Planning Consultants
Joanne Nugent, Self-Help Enterprises
Jesse Brown, Merced County Association of Governments
Kathleen Mikkelson, Deputy Attorney General
Bob Cervantes, Governor's Office of Planning and Research
Dwight Hanson, California Building Industry Association
Kerry Harrington Morrison, California Association of
Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Wiener, California Coalition for Rural Housing
Susan DeSantis, The Planning Center

APPENDIX

City of Atwater

The following changes would bring Atwater's housing element into compliance with Article 10.6 of the Government Code. Preceding each recommended change we cite the supporting section of the Government Code. The particular program examples or data sources listed are suggestions for your information only. We recognize that Atwater may choose other means of complying with the law.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element (Section 65588 (a) and (b)).

In our opinion, the review requirement is one of the most important features of the housing element update. The analysis will enable the City to evaluate its success in remedying substandard housing conditions, conserving affordable housing, and providing housing opportunities for lower-income households; and it will also indicate areas of housing need requiring more effort on the part of the City.

There are three parts to the information which should be provided:

1. "Effectiveness of the element" (Section 65588(a)(2)):
A description of the actual results of the earlier element's goals, objectives, policies, and programs. The results should be quantified where possible (e.g., rehabilitation results), but may be qualitative where necessary (e.g., mitigation of governmental constraints).

The analysis of the previous housing element should specifically review the housing element's goals, policies, objectives, and programs.

The review, in our opinion, should include a description of the actual results of each program action. This approach will facilitate the "progress in implementation" analyses.

2. "Progress in implementation" (Section 65588(a)(3)):
An analysis of the significant differences between what was projected or planned in the earlier element and what was achieved.

The review should analyze the City's accomplishments over the planning period. This information provides

the basis for developing a more effective housing program. The analyses of City actions should determine what was accomplished; which actions were most effective; why an action was or was not effective; and, which actions should be included, strengthened, or deleted in the updated housing element.

3. *"Appropriateness of goals, objectives and policies" (Section 65588(a)(1)):*
A description of how the goals, objectives, and programs of the updated element incorporate what has been learned from the results of the prior element.

The element includes a program by program review of the previous housing element. In addition to describing the accomplishments of each program action, however, it should also analyze why programs were or were not successful. This information should be used to develop a more successful program for the current planning period.

This evaluation of the element should be revised. In particular, the following three areas should be more closely examined:

- a. The program status information should relate to the goals of the program. For example, the goal of program 1.2 was to increase the number of affordable Public Housing units yet the status discussion refers to the City's rehabilitation program.
- b. The evaluation should include a discussion and analysis of the results of ongoing programs. For example, the element should discuss actions taken as a result of the annual review of existing zoning laws, program 1.3.
- c. The evaluation should determine why some program actions were ineffective and, based on that determination, include recommendations to improve utilization during this planning period. For example, no density bonus units were developed under program 1.6. Further analysis may show that promotion of density bonus law was overlooked during the normal pressure of daily activities. The element could include recommendations to ensure that developers are encouraged to utilize a density bonus.

B. Housing Needs, Resources, and Constraints

1. *The element should include the City's share of the projected regional new construction need (Section 65583(a)(1)).*

The Merced County Association of Governments (MCAG) Regional Housing Needs Plan shows the following projected new households for the City of Atwater.

Regional Share Projections
January 1, 1990 - July 1, 1997

Household Income Group	New Households 1	Income Distr- ibution 2 (%)	Construction Need 3
Very-Low	1,047	46.3	1,231
Other Low	130	5.8	153
Moderate	236	10.4	280
Above-Moderate	847	37.5	997
Total	2,260	100.0	2,661

Sources: 1 - Table 5, MCAG RHNP; 2 - Calculated from the distribution shown in 1; 3 - Table 6, MCAG RHNP.

Further, on page 48, the housing element states that Atwater's Regional Housing Need will be revised to reflect 1990 Census and Castle Air Force Base closure. For your information, the only time the law allows revisions in a City's regional share is during the 90-day review process established by Section 65584(c)(1)

While the closure of Castle Air Force Base will impact the City, it is not clear from the information in the housing element when housing will become available. For example, we understand that base closure will not occur before October 1995. We also understand that some housing sites may be contaminated. When more specific data on the base closure becomes available, the City should then evaluate housing needs and housing programs as contained in the housing element and, if appropriate, revise the housing element based on this more current information.

2. *Include an analysis and documentation of housing characteristics including the housing stock condition (Section 65583(a)(2)).*

While the element includes the percentage of units surveyed that are substandard, it should also include the total number of housing units in need of repair and replacement.

3. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)).*

The purpose of the land inventory is to identify sites suitable for residential development in order to compare the total holding capacity with the City's new construction need **by income level**. This will enable the City to determine if additional governmental actions are needed to provide adequate sites.

The "City of Atwater - Vacant Land Table" shows sufficient site capacity to accommodate the City's total share of the regional housing need. However, the inventory should show vacant sites for each zoning designation shown in Table 29.

It is not clear that the City can accommodate the new construction need of lower-income households. Generally, high density multifamily zoned land is needed to address the new construction need for lower-income households. However, the inventory shows that there is no land zoned for high density residential development. The new general plan should remedy this deficiency. It may be feasible to develop housing affordable to low-income households with medium density multifamily zoning designations. However, the element should demonstrate the feasibility of such development to accommodate lower-income households.

The table also shows the low, typical, and high residential capacity of each zoning district. Based on this information, the City should evaluate the need for program actions to provide more efficient utilization of existing sites. General plan land use designations should be defined also and the element should evaluate consistency between the general plan land use designations and zoning designations.

The element states that the General Plan update will not be completed until 1993. The element should be reviewed to ensure General Plan consistency, pursuant to Government Code Section 65300.5. The Department should be sent a copy of the amended element.

Atwater should be aware that Chapter 889 also requires localities to furnish special districts and private entities that provide retail water services or sewer services in the locality with a copy of the adopted housing element and any amendments to the adopted element. These entities are required to grant existing and projected water and sewer service priority to housing development proposals which help meet the locality's needs for lower-income housing.

4. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, on- and off-site requirements, and fees and exactions (Section 65583(a)(4)).*

The analysis of governmental constraints should include a determination as to whether a policy or procedure poses an actual constraint in the City. Where constraints exist, the City is required to take action to mitigate them or, where appropriate and legally possible, remove them (Section 65583(c)(3)).

Although the element includes a general discussion of these items, it does not describe current City regulations and procedures nor analyze their impact on the development or improvement of housing.

- a. The land use controls analysis should describe and evaluate City requirements relating to development standards (e.g., lot coverage, unit size, height, population density), parking requirements by type of project, open space requirements, and design review standards. The land use analysis should also discuss the City's policies relating to such issues as manufactured housing (see Section F, Other Issues), density bonus law, and small lot and/or zero lot line developments.
- b. Identify and analyze on- and off-site requirements such as curbing, street widths and circulation improvements and the use of common trenching.
- c. The element should describe and itemize Atwater's permit processing fees and exactions, including the average cost imposed for typical single- and multiple-family developments. The addendum discussed on page 56 was not included with the element.

- d. The analysis of processing and permit procedures should specify the average time between application and issuance of the building permit for typical development and rehabilitation projects. The element should discuss such practices as the availability of concurrent processing, one-stop processing or other procedures to expedite the approval process.
5. *Include an analysis of the availability of financing, land costs, and the cost of construction as a potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels (Section 65583(a)(5)).*

- a. The analysis of the availability of financing should consider whether financing is generally available, and whether there are under-served areas or income groups in the community for construction, rehabilitation, or mortgage loans.

Information on the availability of financing may be available from local financial institutions under the federal Home Mortgage Disclosure Act (HMDA), which requires specified lending institutions to disclose the number, amount, and location of mortgage and rehabilitation loans originated or purchased, and under the Community Reinvestment Act (CRA), which requires that specified lending institutions help meet the credit needs of their communities.

The CRA requires that each lending institution covered by the Act provide maps describing its lending areas and information about the types of loans it provides, and that a public file be established containing written comments from the community regarding the institution's CRA performance. Lending institutions not covered under HMDA may be required to provide comparable information by State disclosure law (Section 35816 of the Health and Safety Code).

- b. The analysis of the costs should relate to current City prices. If possible, the element should include the per unit cost of land for single and multifamily developments. The cost of construction should focus on the total cost to the developer, including land, fees, material, labor, and financing for both types of developments.

6. *Analyze the special housing needs of the elderly, large families, families with a female head of household, and farmworkers (Section 65583(a)(6)).*

In addition to identifying the total number of households in each group the element should identify the resources available to each group and include an estimate of the number of households or persons in each select group needing special housing. Service providers and the housing authority may be able to assist in this analysis. This information would be useful in targeting housing programs.

Estimate of Need: The estimate of need should be based on local information. The City might wish to contact providers to help target need.

For example, some localities, which need additional rental units for large families, have established programs to provide density bonuses to developers who build units which can accommodate large families. Other jurisdictions have waived fees or expedited processing of permits for housing designed for large families.

7. *The element should include an analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916 (Section 65583(a)(8)).*

According to our sources there are no Farmers Home, HUD, or Bond financed units in the City of Atwater. The element should include this information as well as data on locally subsidized housing units.

We are sending Mr. Teague technical assistance materials to facilitate the City's response to these requirements. Appendix A of this document is particularly useful for the City of Atwater.

C. Quantified Objectives

The law was amended, effective January 1, 1992, to require that the quantified objectives establish the maximum number of housing units by income category (emphasis added) that can be constructed, rehabilitated, and conserved over a five-year time period. This requirement could be addressed by utilizing a matrix like the one illustrated below:

Quantified Objective	New Construction	Rehab	Conservation
Very Low-Income			
Low-Income			
Moderate-Income			
Above Moderate			

These objectives may include private activity as well as City planned activity. For example, the construction objective might include developments which require only City review and approval, as well as units to be developed as a result of the City's housing program.

D. Housing Programs

1. *Include a program which sets forth a five-year schedule of actions Atwater is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, the utilization of appropriate federal and state financing and subsidy programs when available, and the use of the redevelopment agency's Low and Moderate Income Housing Funds (L&M Fund), if available (Section 65583(c)).*

Pursuant to Section A., above, the City should review the proposed housing program and make any appropriate changes.

The City should review program actions under Goal VII. They do not appear to be related to the achievement of citizen participation.

We note that the implementation date of most of the proposed programs is 1993. Does the City have sufficient staff to ensure implementation during that one year? If not, perhaps the implementation of the

programs should be prioritized and implementation dates changed.

The City should review programs under Goal X, XI and XII. Because of recent growth the City should verify that it is still Farmers Home eligible. Further, some of the HUD and CHFA programs may no longer be available, for example, CHFA Subsidized Rental allocation and HUD rental rehabilitation and Section 312 may not be available.

The City should set a target date for deciding whether to finance a nonprofit organization to apply for the Department's Rental Housing Rehabilitation program and also for applying for the Farm Worker Housing Grant. These should be priorities as available funding may soon be exhausted.

Review the agencies involved in the investigation of discrimination complaints. The agencies identified differ with those previously identified.

2. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public facilities and services needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory built housing, mobilehomes, emergency shelters, and transitional housing in order to meet the community's housing goals ... Where the inventory of sites does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low and low-income households. (Section 65583(c)(1)).*
 - a. Pursuant to Item B-3, above, it is not possible to evaluate the adequacy of existing sites without a more complete land inventory. If the land inventory does not demonstrate adequate sites to accommodate the new construction need for all income groups, the element, pursuant to the recent amendment, should identify sites that permit owner-occupied and rental multifamily uses by right.
 - b. If, after revising the land inventory, the City discovers that existing densities are not adequate, the City should include additional program actions to rezone land to higher density multifamily use. The program action should

E. Public Participation

Describe the City's efforts to achieve participation of all economic segments of the community in the development of the housing element (Section 65583(c)).

The element should demonstrate how the City made a "diligent" effort to achieve the participation of all economic segments of the community (including lower-income households) in the development of the housing element. In addition to holding public hearings at the planning commission and governing body level, the City could circulate its draft element to church groups, housing groups, social service agencies, and community and senior groups.

F. Other Issues

- Some of the information on page 33 is missing.
- For your information, Chapter 1571 and 1572, Statutes of 1988, require that manufactured housing must be permitted on permanent foundation systems on all single-family-zoned lots, so long as the unit is no more than ten years old on the date of application, and meets federal and optional local standards specified in Government Code Section 65852.3. Section 65852.3 specifies that local governments may impose architectural requirements on the manufactured home itself which are limited to roof overhang, roofing material, and siding material, so long as the requirements, or any other lot development standards imposed on the manufactured home installation, do not exceed those required for a conventional home on the same lot. Section 65852.4 has been added to the Government code to specify that a locality may not subject an application to install a manufactured home on a foundation system on a single-family lot to any administrative permit, planning, or development process or requirement unless it is identical to those which would be imposed on a conventional home on the same lot.

If appropriate, the City should amend its zoning ordinance to be consistent with these requirements.

- We note that the incidence of overcrowding is high, the City might wish to include data on owner and renter household that are severely overcrowded (i.e., more than 2 persons per room) and develop a policy and programs to address this need.

APPENDIX B

RESPONSE TO COMMENTS

Memorandum

September 10, 1992

To: Matthew Fouratt, Community Development Director

From: Mark Teague, Valley Planning Consultants

Re: Response to Comments from State HCD

We received the State's comments on August 24, 1992, and have prepared the following revisions for incorporation into the Housing Element. Overall, the comments were relatively minor in nature and requested more clarification than additional information. It was my intent to include the final version of this memo, as well as the state's letter, in the resubmittal to the State. Once the changes are approved, I can amend the actual element within a day.

In this response to comments, text to be added to the Housing Element will be shown in bold underline. The following corresponds to the Appendix of the HCD letter:

A. REVIEW AND REVISION

1. *"Effectiveness of the element"*
2. *"Progress in implementation"*

The results of the various programs are included in the STATUS portions of the discussion regarding the previous goals. The conclusions of this section, beginning on page 22, are intended to reflect an overall statement of the effectiveness of the element. Perhaps the most significant conclusion of the analysis of the 1986 element, is the realization that the resources of the City of Atwater are insufficient, in and of themselves, to meet regional housing needs. To further clarify this section, the following text will be added after goal 6.6 on page 22.

Effectiveness of the 1986 Housing Element

By and large, the primary reason that a stated goal or objective was not met, was due to significant reductions in state and federal assistance. As noted in goal 1.2 for example, entire funding programs were eliminated over the course of the previous element substantially reducing the city's ability to finance new construction. The result was a essentially a listing of goals, policies and objectives that were "ideal", with no real chance of being realized. In some cases, identification of the goal or policy was essential to qualify for whatever state and federal assistance was available. All too often however, this assistance was insufficient to meet the stated need, or competition for scarce funds too great, to allow the City to meet its need. As a result of this experience, subsequent programs and policies included in this update were designed to identify those programs over which the city has complete control, as well as those that require actions by others. The City is committed to do those things solely within its power to encourage affordable housing, and to lobby other agencies to release the necessary funding and programs to enable the City to meet its needs.

During the duration of the 1986 Housing Element, the staff of the City was changed, and new personnel hired to fulfill the positions. This transition, and an inability to hire a large staff due to budget constraints, put many of the staff-time funded goals and policies on hold. Since 1990 however, staff at the City has been increased, and a new General Plan has been

prepared to ease day-to-day demands on staff time. As a result, some of the staff-time funded activities of the 1986 element have been carried through to this update with confidence that sufficient staff resources will be available.

3. *"Appropriateness of goals, objectives and policies"*

The City feels that all of the goals, objectives and policies in the 1986 element remain appropriate, regardless of whether sufficient funding or staff time was available to implement them. As indicated above, the most significant lesson from the 1986 element was that the City can not rely on the state or federal government to meet its obligations, and that the City can only address as many areas as its limited resources will allow. The distinction between these two issues is reflected in the program section of this update.

- a. The STATUS portion of 1.2 demonstrates the dramatic impact of a reduction in a state or federal program on the City's ability to meet a given need. The following text will be added after the first full sentence of the STATUS paragraph:

While the City was unable to secure additional rental housing, CDBG funds were obtained to help keep some units from being destroyed. The full extent of the use of these funds is described in 2.2 on page 13. Once a decision on the disposition of the Castle Air Force Base housing units is made, the Housing Element will need to be amended to reflect these changes.

The remainder of the paragraph is to be deleted.

The STATUS portion of Goal 1.3 on page 10 is to be amended as follows:

The city reviews existing zoning laws as required, and conducts a consistency review annually. As a portion of the General Plan Update, significant revisions to the zoning ordinance are anticipated to reflect changes in development policy. Once these changes are proposed, their effect on the Housing Element will need to be analyzed. This review will occur as part of the annually General Plan consistency review, and forwarded to State HCD.

The STATUS portion of Goal 1.6 on page 12 is to be amended as follows:

Section 65915 of the Government Code requires that a city provide a density bonus provision of its subdivision ordinance that would allow up to 50 percent increase in allowable density for units meeting a variety of income criteria. Due to a lack of discretionary funding, the City has not prepared an ordinance to specifically address density bonuses. The City is however, prepared to complete an ordinance within 90 days of a request as is allowed under §65915(d). As the zoning ordinance is currently under substantial revision, a goal of the updated element is to include provisions for density bonuses.

The STATUS portion of Goal 3.1 on page 16 is to be amended as follows:

The City has an active redevelopment agency that administers CDBG funding within eligible areas of the downtown. The redevelopment agency has helped create the Applegate Industrial Park and significant improvements to the downtown area. The agency is also actively pursuing technical assistance monies from the state to complete a specific plan for frontage along Business 99. Under provisions of the CDBG grant, the

activities of the redevelopment agency address needs of a targeted income group (TIG). Through the redevelopment agency, small businesses are eligible for improvement and expansion loans provided that they can show a benefit to the TIG.

B. HOUSING NEEDS, RESOURCES, AND CONSTRAINTS

1. *City's share of regional housing need.*

Table 26 on page 47 is amended as follows:

TABLE 26		
ATWATER HOUSING NEEDS 1990-1997		
Housing Type	Percent	Number
Basic Construction Need	<u>100.0</u>	<u>1,231</u>
Above Moderate Income	<u>37.5</u>	<u>997</u>
Moderate Income	<u>10.4</u>	<u>280</u>
Other Low Income	<u>5.8</u>	<u>153</u>
Very Low Income	<u>46.3</u>	<u>1,231</u>

Source: Based on MCAG projections - *Regional Housing Needs Plan, April 1991*

The following should be added to the end of the first paragraph on page 48:

The disposition of the 935 Castle Air Force Base Housing units is currently unclear. Several issues concerning their re-use will be determined over the next three years. The Base is scheduled for closure in 1995, and a base re-use plan is in the preliminary stages. The extent of groundwater contamination is unknown at this time and may influence the re-use of these units. This element should be revised to reflect the adopted re-use plan.

2. *Analysis of housing stock in need of repair and replacement*

The following should be added to the end of the first paragraph on page 37:

The Self Help Enterprises housing survey of September 1991 indicates that approximately 37 percent, 2,475 units, of the total 6,690 units surveyed was considered substandard and capable of being rehabilitated. Approximately 200 units, .3 percent, were considered dilapidated.

3. *Existing land use inventory*

The vacant land inventory was taken from the current General Plan Map adopted for the City of Atwater. Under the City's zoning provisions, a variety of zones are allowed under broader general plan designations. A significant part of the General Plan update is a consolidation of the zoning provisions to allow for a more direct relationship between the General Plan and the Zoning Ordinance. Table 29 shows both the General Plan Designation and the allowable zoning for land within that designation. Table 28 demonstrates the amount of vacant land within a given Land Use Designation.

Table 28 on page 50 should be amended as follows:

4. *Potential and actual governmental constraints*

- a. The following table should be added under *Land Use Controls* added on page 54:

TABLE						
RESIDENTIAL DEVELOPMENT REQUIREMENTS						
Zone	Minimum Lot Size (sq ft)	Side Yard		Max. Height/ Accessory	Parking	Landscape % of Lot
		Front/Rear	Side/Ext.			
R-E	16,000	20/20	10/20	35/16	2 per unit	30
R-1-10	10,000	20/20	10/20	35/16	2 per unit	30
R-1-8	8,000	20/20	5/15	35/16	2 per unit	30
R-1-6	6,000	20/15	5/15	35/16	2 per unit	30
R-1-5	5,000	10/5	5/10	35/16	2 per unit	25
R-1-4	4,000	10/5	5/10	35/16	2 per unit	25
R-1-3	3,000	10/5	5/10	35/16	2 per unit	25
R-2	6,000	15/20	5/12	35/16	2 per unit	30
R-1-M	5,000	15/15	5/15	35/16	2 per unit	30
R-3-2	10,000	15/20	15/20	35/16	2 per unit	30
R-3-2.5	10,000	15/20	15/20	35/16	2 per unit	30
R-3-1	10,000	15/15	5/15	35/16	2 per unit	30
R-3-1.5	10,000	15/15	5/15	35/16	2 per unit	30
R-M	2,100	20/20 ₁ 5/5 ₂	20/20 ₁ 5/5 ₂	N/A	2 per unit	30
2nd units	640	10/5	5/10	35	2 per unit	20

1. Set backs from all property lines along public streets.

2. Set backs from park access drive and exterior property lines not fronting public streets.

- b. The existing text under *Site Improvements* on page 54 should be replaced with the following:

The City of Atwater requires vertical facing curb, gutter and sidewalk on all residential streets. Typical right-of-way for local streets is approximately 60 feet with 40 feet of pavement. The Municipal Code provides for a minimum right-of-way width of 40 feet for a subdivision. The Code also allows for private streets to deviate from the standards shown in the above table, provided that future maintenance of the streets is assured by the developer.

TABLE	
STREET RIGHT-OF-WAY DEVELOPMENT REQUIREMENTS	
Street Type	Right of Way
Major Street	100'
Secondary Street	80'
Local Street	60'
Short Minor Street	60'
Cul-de-sac	60'
Alley	20'
Service Road	as needed

Source: §16.12.020 through §16.12.080 of the Atwater Municipal Code

Utility companies that provide service to the City may require between 6 and 10 feet of the area outside of the right-of-way be reserved as a utility easement for the placement of service lines. City wide development standards require the undergrounding of utilities to new residential development. Where possible, and feasible, joint use of trenching is encouraged. The City does not have the authority to require joint use of trenching of independent utility companies.

Redevelopment projects, and building permits proposing changes equal to more than 25 percent of the assessed value of the home, are required to bring the street improvements up to City standard. In the redevelopment areas of the community, funds for rehabilitation of substandard units have included provisions for street improvements.

The City does not believe that the provision of street improvements is a burden to the development of affordable housing. The street sections are designed to accommodate storm water drainage, and facilitate safe automobile, pedestrian and bicycle circulation. Street lights and fire hydrants, required at regular intervals within the City, also address public health and safety.

5. Available financing

a. Commercial Financing

The following should be added to the end of the NON-GOVERNMENTAL CONSTRAINTS discussion of *Availability and cost of Financing* on page 57:

Several lending institutions that provide financing for businesses and homes within the Atwater area have active Community Reinvestment Programs. These programs target small businesses, minorities, low and very low income families, and others that have difficulty obtaining financing. In some instances, debt-to-income ratios are adjusted, interest rates lowered, or payments deferred to help lower income families afford housing. While each institution has its own program and set of rules, within Merced County there is a Revolving Loan Program which acts as a clearinghouse for potentially rejected loans. This program has

participation by both businessmen and representatives from some of the local banks, and reviews loans that might be rejected to determine eligibility for a Community Reinvestment Program.

The Community Reinvestment Act (CRA) requires that lending institutions keep track of their reinvestment programs and provide copies of the results to the public. All of the lending institutions contacted in Atwater have active reinvestment programs.

- b. Cost of purchasing home/apartments in Atwater. The following table should be added after the discussion of *Permit Processing* on page 55:

<u>TABLE</u>		
<u>TYPICAL BUILDING PERMIT FEES - CITY OF ATWATER</u>		
<u>Building Permit Fees¹</u>	<u>Single Family</u>	<u>Multiple Family (unit)</u>
<u>Water</u>	<u>\$ 500.00</u>	<u>\$ 500.00</u>
<u>Sewer</u>	<u>\$ 1,500.00</u>	<u>\$ 1,500.00</u>
<u>Parks</u>	<u>\$ 465.00</u>	<u>\$ 558.00</u>
<u>Public Facilities</u>	<u>\$ 937.00</u>	<u>\$ 937.00</u>
<u>School²</u>	<u>\$ 2,434.00</u>	<u>square foot fee</u>
<u>Building Permit³</u>	<u>\$ 1,088.00</u>	<u>\$ 1,500.00</u>
<u>Subtotal Permit Fees</u>	<u>\$ 6,924.00</u>	<u>N/A</u>
<u>Land Cost⁴</u>	<u>\$ 12,000.00</u>	<u>\$ 22,000</u>
<u>Construction Cost⁵</u>	<u>\$ 55,000.00</u>	<u>similar to single family</u>
<u>Subtotal Construction Cost</u>	<u>\$ 67,000.00</u>	<u>N/A</u>
<u>GRAND TOTAL CONSTRUCTION COSTS⁶</u>	<u>\$ 73,924.00</u>	<u>N/A</u>
<u>Typical Sales Price⁷</u>	<u>\$ 95,000.00</u>	<u>N/A</u>

¹ Fees are taken from a typical permit issued for a 1,475 square foot home in a conventional subdivision. Multiple family figures were taken from the most recent four-plex unit built in the City. City fees are established by ordinance and are subject to change.

² School fees are set by the School District and are currently \$1.65 per square foot. While the City collects the fee at time of permit issuance, they are *not* responsible for establishing or justifying the fee amount.

³ This cost is established as a percentage of the construction cost and may vary depending on the complexity of the construction and the number of inspections needed.

⁴ This figure is an average for a conventional single family lot of between 5,000 and 7,000 square feet, with utilities.

⁵ This figure is an average of between \$35 - \$40 square foot construction cost for a typical home in a conventional subdivision and does not reflect financing, carrying costs or other such costs associated with building a home.

6. *Estimate of special need*

The following text should be added after the last paragraph under *Handicapped Persons* on page 41:

Merced County operates a Home Health Agency that provides nursing care, specialized equipment and assistance to clients in need throughout the county. As a part of their referral service, they keep track of housing units equipped to meet special needs (ie. ramps, lower window sills, counters, storage, etc.) and a list of clients in need of such housing. The agency also provides consulting service to builders and building departments on the technical aspect of specific needs including equipment size, ventilation and other major design components. While the agency currently serves over 300 clients, it does not keep a list of persons in need. While the City of Merced is the preferred housing location due to increased number of services and available medical care, the agency provides service throughout the county.

7. *Existing assisted housing developments*

After *Fees and Exactions* under GOVERNMENTAL CONSTRAINTS on page 56, the following section should be added:

Removal of Assisted Housing

According to the State Department of Housing and Community Development, and the Merced County Housing Authority, there are no Farmers Home, HUD, or Bond financed units within the City of Atwater.

C. QUANTIFIED OBJECTIVES

The following should be added after the first paragraph of VII GOALS, POLICIES AND OBJECTIVES:

The overall Goal of the Housing Element is to provide adequate housing for residents of all income levels within the City. The following table shows the City's quantified housing goals for period of 1992 through 1997. The number of units rehabilitated over the planning period is based on previous activity. The City uses redevelopment set-aside funds to provide rehabilitation of very-low and other low income units. Based on activity from the 1986 housing element, the City would probably have the funds to rehabilitate up to 5 units per year from this funding source. One of the goals of the element is to actively pursue additional funding sources to meet the City's very low and other low income housing needs.

TABLE		
QUANTIFIED HOUSING GOALS 1992 - 1997		
<u>Income Level</u>	<u>New Construction</u>	<u>Rehabilitation¹</u>
<u>Above Moderate</u>	<u>997</u>	
<u>Moderate</u>	<u>280</u>	
<u>Other Low</u>	<u>153</u>	<u>10</u>
<u>Very Low</u>	<u>1,231</u>	<u>25</u>
<u>Total</u>	<u>2,661</u>	<u>35</u>

¹ Funding for rehabilitation of units is dependant upon redevelopment set-asides, and the availability of state and federal funding.

D. HOUSING PROGRAMS

1. Many of the programs indicated in the element will be completed as a part of the General Plan update process. As such, much of the initial work has been done and should be completed within the 1993 target date.

Program 3 under Goal II should be amended as follows:

3. The City of Atwater will seek additional Article XXXIV approval as need to facilitate the funding of housing for very low and low income families.

Year: Ongoing (The City still has some Article XXXIV authority unused.)
Responsible Agency: City of Atwater
Funding Source: General Fund

Program 1 under Goal VII on page 66 should be amended as follows:

To ensure citizen participation and program achievement, the City shall:

1. Evaluate the effectiveness and productivity of housing policies and monitor program implementation for achievement of the identified goals. The evaluation will be included in the annual General Plan consistency review, and sent to service providers in the community including the Merced County Community Housing Resources Board, County Social Services. A copy of the report must also be sent to State HCD.
3. Work with community service providers to address housing policy that would encourage the provision of housing for all income types. These meetings, as well as notices concerning fair housing practices, will be public in nature, with notice given in both english and spanish and posted at City Hall, community center, the library and in the local newspaper.

Program 3 under Goal X on page 70 should read as follows:

3. The City of Atwater will encourage developers to make application for California Housing Finance Agency (CHFA) AB 333 Subsidized Rental allocations which provide subsidized interest rates and operating subsidies to developers of rental housing projects. Under this program, rents for the units are guaranteed often in conjunction with the Section 8 rental subsidy program.

Program 5 under Goal X on page 71 should read as follows:

5. The City of Atwater will seek additional Article XXXIV approval as need to facilitate the funding of housing for very low and low income families.

Program 3 Under Goal XI on page 72 should be amended as follows:

3. The City of Atwater will encourage homeowners to make application for FmHA 504 Single Family Rehabilitation allocations which provides home repair loans up to \$7,500 at 1 percent interest to very low-income families for the purpose of making repairs needed for the health and safety of the family and/or the community. (Although the population of Atwater has exceeded the 20,000 population cut off point for FmHA projects, the FmHA considers the City exempt from the cut off, and still eligible.)

The following programs are no longer available and will be deleted from the element:

Program number 1 under Goal X on page 70.

Program number 4 under Goal XI on page 72.

2. Table 30 on page 53 should be amended as follows:

TABLE 30			
MAXIMUM POTENTIAL RESIDENTIAL DEVELOPMENT			
Area	Single Family Units	Mobile Homes	Apartment Units
Urban Infill/Vacant Land			
Urban Fringe Areas			
Total			

3. Estimate of monies to accrue to redevelopment agency:

[Need Information From Linda at Redevelopment]

4. Programs to encourage the development of additional low and moderate income units.

Policy 6 under Goal I on page 61 states that the City will investigate how best to include the density bonus law in the revised zoning and subdivision ordinance prepared as a result of the General Plan Update. This review, and the adoption of a new zoning ordinance, should occur in 1993.

5. Removal of governmental constraints.

The primary governmental constraint to development within and around Atwater is the lack of a current General Plan and associated zoning and subdivision ordinances. The current plan is nearly built-out, and the current zoning ordinance does not reflect more recent changes in state law. As such, the bulk of the programs and goals of the Housing Element deal with addressing these constraints to development.

6. Fair housing program: See above amendment to Policy 3 under Goal VII on page 66.

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